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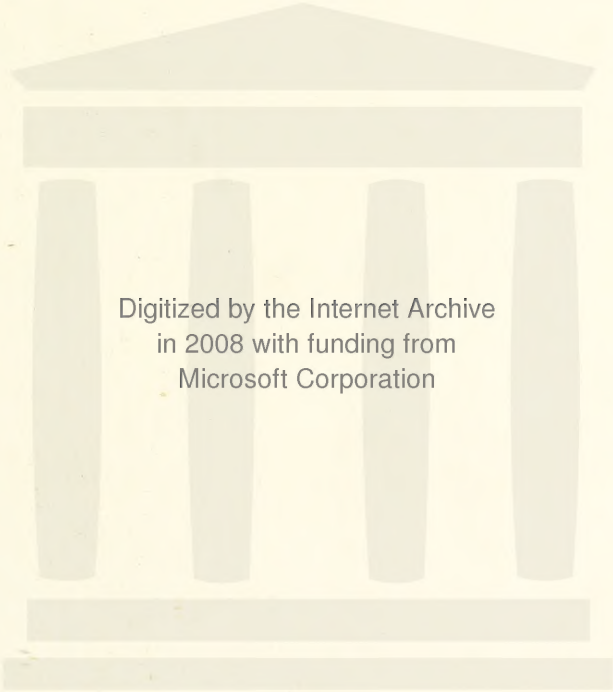
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THE MARXIAN ECONOMIC HANDBOOK AND GLOSSARY

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WITH

NUMEROUS CORRECTIONS, EXPLANATIONS AND EMENDATIONS OF THE ENGLISH VERSION OF VOL. I OF "CAPITAL"

FOR THE USE OF ADVANCED STUDENTS AND BEGINNERS

BY

W. H. EMMETT

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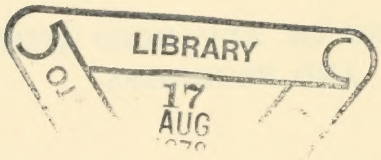

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PREFACE

THE object of the present handbook is to clarify the English version of Vol. I of Marx's *Capital*—to popularize as far as may be its main or general message. It is intended to clarify and to popularize especially the first three chapters, comprising Marx's Part I, which three chapters are herein summarized, more or less, in three corresponding chapters. But they are not strictly summarized, for in places I have not hesitated even to expand a paragraph into a virtual explanation. The present book is designed to simplify the gist of Marx's economic work, not only for the use of students, but also in order to rescue as far as possible the definite meanings of this really marvellous work from the misunderstandings, both friendly (or unintentional) and hostile, from the masses of confusion, both innocent and deliberate, that have unfortunately been crowded around them.

If the science of economics be of any importance, then such a handbook as the present is designed to be is very badly needed. Although more than half a century has passed since Marx's epochal work appeared, it would be a rash statement to say that many English readers understand it. All sorts and shades of so-called "Marxists," from the vilest decoy or fakir up to the honestly enthusiastic working-class advocate, very lamentably misunderstand even the very rudiments of Marx's great work; and they therefore inevitably misunderstand, also, much of the colossal superstructure.

Early in the twentieth century A. M. Simons advised that Marx's Chapter I of Vol. I supplied the Marxian economic "language" or "vocabulary." This is not absolutely true; but it is so far true that, unless a person understand Marx's Chapter I, they will not quite understand the basis of Capitalist economics, viz. the commodity (with

its complex of concrete-labour and abstract-labour, its use-value and value, and its exchange-value—which latter means another commodity's body). But how many English-speaking " Marxists " could hitherto say honestly that they have understood this Chapter I ? Despite the more than fifty years' currency of Marx's work in its many editions, this first chapter is now so little understood, and is, moreover, so grossly misunderstood (in English, at any rate), that to rescue this Chapter I from such anomalous position, by reducing it to a correct and more popular idiom, is practically equal to exhuming or unearthing the smothered and buried treasures of Marx's brilliantly simple thought.

This Chapter I is a big book in itself, and a very closely packed book at that, without any verbiage. The non-realization of this important fact is partly why the chapter is not understood. It contains a vastness which is quite invisible to the unprepared mind (somewhat like the vast but invisible world of minutiæ before the advent of the vision-assisting microscope). Without some assistance or preparation, the ordinary understanding does not come into touch with Marx's thought ; Marx's Chapter I seems to contain altogether too much in a very little space. And besides, as Marx warns us in his preface : " Every beginning is difficult ; [this] holds in all sciences. To understand the first chapter, especially the section that contains the analysis of commodities, will, therefore, present the greatest difficulty."

A lot is heard nowadays of " Marx's theories " ; just as though Marx were some sort of mere theorizer ! But so far is this from being true that Marx does not bother one with his theories at all ; it never appears that he has any. All the propositions of his finished work are scientific—really and thoroughly scientific. The propositions of Marx's Vol, I are scientifically formulated and scientifically stated, and then thoroughly tested, proved and established. This is exactly in accordance with the canons of scientific analysis and presentation ; and therein we may see that Marx was not a " theorizer " ; he was only a scientist.

Richard A. Proctor quotes De Morgan on how to differentiate between theorizers (" cranks ") and scientists. In his *Light Science for Leisure Hours* (third series, p. 270

et seq.), he quotes him (De Morgan) upon the way to distinguish a genuine discoverer in any science from a blatant crank (although Proctor himself was not always guided by De Morgan's expression, for on pp. 37–8 of the first series of *Light Science* he was unwise enough to speak authoritatively of the origin of money—a matter upon which he was ridiculously ignorant, not only as to the truth of the case, but also as to the labours of predecessors !).

However, in the third series of *Light Science*, as quoted above, Proctor gives us the following real gem. He tells us :—

" The rule (as to whether one be qualified to discover scientific truth) is very simple, and is clearly enunciated by De Morgan. ' New knowledge,' he (De Morgan) says, ' when to any purpose, must come by contemplation of old knowledge, in every matter which concerns thought (mechanical contrivance sometimes, not very often, escapes this rule). All the men who are now called discoverers, in every matter ruled by thought, have been versed in the minds of their predecessors, and learned in what had been done before them. . . . There is not one exception. . . . If anyone will undertake to show a person of little or no knowledge who has established himself in a great matter of pure thought, let him bring forward his man and we shall see. This is the true way of putting off those who plague others with their great discoveries. . . .' " Proctor adds, on p. 272, that " it is a thing which has never happened for a man without wide and thorough knowledge of a branch of science to make great discoveries in that particular branch ; therefore the public is not bound to entertain the possibility that the thing has at length happened."

Well, the really scientific course therein prescribed was Marx's method exactly. Marx appears to have learned and digested all that had previously been discovered by workers in the science of " political economy."

Not only was Marx thoroughly conversant with economic science as developed by others up to his time, but in " section 4 " of his Chapter I, under the title of " The Fetishism of Commodities and the Secret Thereof," after showing the " fetish " (or deluded) character of the general human mind with

regard to " commodities," he also shows that the " professors " of economics, who claim to be so intellectually smart, instead of perceiving and disclosing this " fetish," actually accept the thing, and even make it worse by aggravation !

As an up-to-date aggravated instance of what Marx has well-called the " fetishism of commodities," it would be difficult to beat the following : During the month of August 1923, in the city of Sydney, Australia, several forms of a placard were displayed advertising the Five Years Commonwealth Loan. These placards were imitation draught-boards, with " good moves " and " good advice " printed on the various squares. On one square of the top row the " good advice " declared that " your money works harder in a Commonwealth Bond than it does in any bank ! " And the Australian public (who are now[1] told by a British professor that they are developing an extraordinary brain capacity) did not notice that the Commonwealth banking authorities were in exactly the same mental predicament as the African savage whose wooden doll works miracles ! One gathered from another square of the " draught-board " that " your money works harder " by returning about " £10 18s. 3d. " more " profit " to you. This palpable fetish is a mere variation of the older fetish to the effect that " money breeds " or that " money makes money " ! Like the older fetish form, this new " hard-working " form merely consists of human attributes fetishistically projected by the mind into social products.

A Sydney quidnunc, writing under the name of " Invictus," recently referred to what he called Marx's " brain-bewildering ' Fetishism of Commodities ! ' " But Marx's work on this topic is not " bewildering " ; to anyone who is not bothered with the Australian " increase of cranial development " Marx's message is capable of extremely simple presentation The gist of it simply amounts to this :—

The human relations (between industrial persons) which obtain in commodity producing society are presented, not as what they really are, but only as relations of the society's industrial products (commodities), or only as " values." " Value " is imagined by the human mind into commodities

[1] Vide *Sydney Morning Herald*, September 15, 1923.

as a kind of strength inherent in them, even as a material property or a material essence of them. The capitalist economist, who lays claim to special acumen, comes on the scene and actually makes this false and " fetish " position worse, first, by his not seeing the " fetish " as such fetish ; and second, by supposing the really material qualities (use-values) away from the material objects ! Further, this peculiar strength put into commodities by the ordinary mind (this " value ") is regarded by " economists " as a something which (in the money-commodity) " breeds," or even (in the form of " rent ") springs out of the ground like weeds, or now (in " Commonwealth Bonds ") " works harder " and harder !

As a matter of fact, this fourth section of Marx's Chapter I, " The Fetishism of Commodities and the Secret Thereof," constitutes a piece of philosophy that came quite new from Marx's pen. Unfortunately, this philosophy seems to have been missed (totally for the most part) by subsequent writers. Excepting one, all the writers whose work I have yet met with seem to have espied in it absolutely nothing to speak of, and they dodge it as one might dodge a hot potato ! The only writer to deal with this Marxian subject, so far as I know, is the scholarly Edward Aveling ; and even Aveling sometimes appears to miss the important features named " fetishism " by Marx. This is best seen in pp. 18 and 19 of his *The Student's Marx* (Swan Sonnenschein & Co., 1892), the matter of which pages is entitled " Errors of the Economists "—which matter, however, ought rather to have been entitled " The Acceptation and Aggravation of the Fetishism by Economists," and the matter should have been treated and presented in that sense. Marx very clearly meant that commodities are peculiarly misunderstood by their creators, just as the home-made stone idols and wooden gods are misunderstood by the savage fetish-man, and that capitalist economists laboured under the same popular delusion (or " fetish "), and, despite their " acumen," even turned it into a worse fetish !

Regarding Marx's method or style of procedure, it was in reality very simple. One characteristic of Marx's work, which effectively separates it from the work of all capitalist

economists, consists in its being critical towards capitalist encroachments upon the working class. The one big difference between Marx's analysis of modern political economy and any capitalist analysis is that Marx's is a "critical analysis." But he takes advantage of all the research performed and all the knowledge gained by previous workers in the science, and, as befits the real scientist, he advances it further. He assimilates the existing economic science of his time, critically sifts it, finds its errors and weaknesses, and conserves its valid points and discoveries. This naturally entails his instinctively formulating, in his own mind, a real picture of the whole economic fabric. That this Marxian picture of capitalism is a real portrait of the subject matter is forced upon the serious Marxian student as an irresistible conviction.

Marx's scientific perception enabled him to readily detect the faults and errors of predecessors, and thus it was that he easily plucked or gathered from each of them the really valid parts of their teaching. But in doing this he formulated, inevitably, conceptions of his own, and so he accordingly re-disposed the acquired material; and, by means of this and his own discoveries, he built up his own irresistible and impregnable presentation of the capitalist system of production and distribution.

In the Introduction, which follows hereafter, we shall see something of the general plan of Marx's *Capital*. Here we may notice an interesting detail of his literary style. Marx tells his tale quite in the style of the first-class interesting novelist. He develops the various threads of the story, one at a time, up to some given point, always with an eye to the set purpose of yet further developing the main thread. He will be developing the main thread when, upon reaching a point where it is necessary to understand some contributing thread, or perhaps a number of contributing threads, he will break off the main thread to step aside and develop such other thread or threads; and then, having done this, he will once more pick up the main thread.

Chapter I is a very fine and very striking example of this, especially in the subsections, divisions and subdivisions of "section 3." The first "section" of Chapter I finds the

main thread, which is " value." This main thread is picked up again by " section 3." Upon entering " section 3," which deals with value's manifestation forms, Marx quickly arrives at the " accidental " or " elementary " form of value (in subsection " A ") when, immediately, he has to break off the consideration of this " form " in its entirety, for he has to consider several details or strands of the thread. He finds (in division " 1 ") that the " form of value " consists of the two opposite sides, poles or extremes; viz. that side, pole or extreme occupied by the value which is to be manifested, and that other side, pole or extreme which is occupied by the realizable and tangible manifestation. Then (in division " 2 ") one of these sides—viz. the " relative " side, or the value to be manifested—is taken up for separate consideration, first (in subdivision " *a* ") as to its character and meaning, and second (in subdivision " *b* ") as to the determination of its relative quantity, in which subdivision " *b* " Marx finds and analyses the quantitative-variation examples I, II, III and IV. Then (in division " 3 ") the other side of the value form—viz. the " equivalent " side, or the value's tangible manifestation (another commodity's body) —is taken up and separately analysed as such " equivalent." Only then (in the following division " 4 ") does Marx continue the consideration of the entire form, under the title of " The Elementary Form of Value considered as a Whole."

From this " Accidental or Elementary Form," given sufficient time for the necessary social development, there is evolved in society the Extended [1] Form of value; and so Marx further develops his main thread accordingly (in subsection " B "). But he again immediately stops to consider the two separate sides of the form; first (in division " 1 ") the " relative " side, where the subjective value is posed, and second (in division " 2 ") the " equivalent " side, where the value's extended manifestation is posed, and is multiform and variegated in endless repetition. And then he proceeds again with the entire form (in division " 3 ") to find the faults or shortcomings of this form, which faults constituted the historic reasons for this Extended-Form-of-value's being

[1] The English translation says " expanded," but this is wrong.

superseded by another value-form in social intercourse—which supersession carries the subject on (in subsection " C ") to the next value-form, the " General Form of Value." Marx now retains the developing main thread (which is here the developing value-form in its entirety), despite the three divisions, until the end of " section 3 " ; when, after arriving at the entry of the value's money-form into social intercourse, the main thread is again dropped, and it is not again resumed until the opening of Chapter III. (See the tabulation of these subsections and divisions at the end of the following Introduction, pp. 42–6.)

Another detail of special interest in Marx's method is the presentation of quantitative ideas in mathematical form. Even the very first quantitative notion is presented mathematically, viz. in the " Elementary " value equation of Chapter I. This form of presentation is of inestimable value (i.e. " use-value ") to the student. Aveling tells us this is an evidence that Marx carried the science further than did his predecessors. This is quite correct ; but it hardly does justice to Marx, because it does not exhibit the power of Marx's hand. What Marx really did was to test the science of his predecessors, as he found it, partly by means of mathematics ; and, undoubtedly, it was only by means of mathematics that he was able to discover and formulate the many laws of capitalism—as he did. For instance, how easily it may be that, by means of his mathematical equation of value, Marx found that the " form of value " had the two poles or sides ! This value equation of Chapter I even suggests the qualitative relation behind it. Therefore, again, how easily it may be that the same equation demanded, from Marx, the reduction of both sides to some common quality or to some kind of sameness ! Marx, indubitably, must have discovered (and developed the recognized phenomena of) numerous capitalistic laws, simply by means of mathematics.

In the present handbook many portions of Marx's volume, excepting Part I, are barely touched. For instance, Marx's tremendous Chapter X is noticed herein only sufficiently to carry the various corrections and emendations which years of experience and teaching have shown to be necessary. In many cases the titles or headings herein are given only

to facilitate reference or to help students in finding and understanding the places in Marx's work. In no case is it here intended to supersede the reading and studying of Marx's work; the purpose of this handbook is only to expedite and assist—to promote—the reading and digesting of Marx's *Capital*.

Apart from the hundreds of accidents in the English translation that have happened to Marx's finished work, *Capitalist Production*, the work is marvellously free from errors, considering its gigantic dimensions. Of course, this does not mean that Marx's early work always agrees in every detail with his finished work; although here, too, it is really wonderful how little his early work differs from his latest work. My precise meaning is that not only is his great work, *Capital*, marvellously consistent throughout, but also that it is wonderfully free from any general errors of thought. I know of one slight error of thought, and one only. Marx refers in one place to the expenditure of "brains, nerves, muscles, etc.," really meaning, of course, the expenditure of energy or force from these physical parts. That Marx had this little fault of thought is indicated by other passages, notably by a passage nearly 500 pages later, where he refers to "transformations of organized bodily matter into motion," meaning, of course, "tranformations of" its force "into motion."

It is only a proper thing that any man's work shall submit to any criticism whatever, any criticism at all that may be forthcoming from any quarter. Of course, this applies to the monumental work of Karl Marx. Let us, however, at least have Marx's real ideas presented and criticized—let us have what Marx really did teach, instead of the rattling trash that hitherto has been pushed forward as "Marxism," and thence has been handed around as "Marx's theories"! Let us also have Marx's ideas in simple diction as far as may be. For just as people remember well only that which has interested them, so they are really interested only in that which they can understand; and it is only therein that they can ever be really critical—critical, that is, in the scientific sense of the term.

A rather big division of the present work was ready for press and would have been quite suitable for separate publica-

tion. With this end in view, and expecting either approval or some criticism, I submitted it to an old friend and fellow-outcast from the S.L.P.—a friend, too, who is never tired of using the word " science " (especially in reference to Daniel De Leon's work) and who never tires of talking about " scientists." To my disappointment, he never so much as opened a single page of my production, although he knew I had been working on it for over two years ; he saw nothing of it but the title-page ! Very evidently, though he breathed never a word about it, he was not anxious to help me or my work. And yet his past life shows that in the main the man means well.

At the present time, I am not attached to any party. Speaking in a general sense, regarding science and scientific rectitude, my experience with working-class parties has been quite a sorry affair. Per medium of officials, the parties of my experience have all shown a lamentable unworthiness in this regard. Their position is somewhat similar to that of a young man whom I call to mind. This young man, to whom I was pointing out the hygienic importance of individuals finding out their own weaknesses—this young man upset me somewhat sharply by retorting : " Weaknesses ! I ain't got any ! " Yet this young man had scientific ambitions and pretensions !

So, too, with working-class parties of my ken. Officially, they seem to have scientific ambitions, and certainly they have scientific pretensions ; but the cash sales appear to be vastly more important than scientific accuracy. And, consistently, personal prestige and prowess have been placed before hard study and the correction of error. As a critic (at least an honest and a studious one), I have been granted little satisfaction for my pains, over and above what bits I might glean from obvious brain-stealers and from being long treated as a dead dog. Not that I need anything like the pat on a horse's neck ; but error—voluminous and gaunt error—gallingly stalks abroad, unvanquished as ever ! Carelessly, if not intentionally, Marx's very wonderful work is twisted, caricatured and retailed, merely to subserve the material interest of arrogant scientific upstarts !

In conclusion, I wish to acknowledge my obligations to

members of the economic classes which I have had the great pleasure of conducting. The innumerable interesting (and occasionally penetrating) questions have been very helpful; they have often called attention to things requiring special explanations; and they must have been instrumental, even to a greater degree than I am actually conscious of, in the compilation of the present handbook.

W. H. EMMETT.

SYDNEY,
October, 1923.

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INTRODUCTION

ALL thoughtful persons, or persons who are not insensible to the tremendous realities around them, recognize that there is something humanly wrong with modern society, scientifically called the " capitalist system."

Professor Huxley says: " Even the best of modern civilizations appears to me to exhibit a condition of mankind which neither embodies any worthy ideal nor even possesses the merit of stability. I do not hesitate to express the opinion that, if there is no hope of a large improvement of the condition of the greater part of the human family; if it is true that the increase of knowledge, the winning of a greater dominion over Nature which is its consequence, and the wealth which follows upon that dominion, are to make no difference in the extent and the intensity of Want, with its concomitant physical and moral degradation, among the masses of the people, I should hail the advent of some kindly comet, which would sweep the whole affair away, as a desirable consummation."[1]

What is " the capitalist system " ? The only adequate answer to this very simple question is Karl Marx's great work, *Capital*. Marx's work, *Capital*, is not about Socialism or Communism, nor yet about any proposed form of Anarchism; it is about Capitalism. That it is very necessary to definitely make this distinction is indicated, not only by the wild ideas of ordinary persons in this regard, but even by a book of H. M. Hyndman's. Hyndman issued a book upon Political Economy entitled *Economics of Socialism*— a strangely inverted title for his book upon the " economics " of capitalism! The economics of Socialism do not exist for the simple reason that Socialism does not exist. Up to present date Socialism is nothing more than an ideal. With

[1] *Essays, Ethical and Political*, by T. H. Huxley. Macmillan, 1903, p. 124

its becoming an actual fact, Socialism would have its own peculiar economics, just as is the case with all the different social systems (including the present system) which would have preceded Socialism. Marx's *Capital* is the one and only work to analyse and explain the present social system, the "capitalist system." No one can possibly understand the very complicated capitalistic system of society but by means of scientific political economy, and the only such science of our time is the work of Karl Marx.

Just as the physician or surgeon must diagnose and understand the lurking malady of any case in hand before he can effectively, and with certainty, treat such malady, so with any sociological evil or unhealthy condition of society. Any baneful or injurious condition must be analysed and understood before there can possibly be any intelligent and preconceived correction or treatment of that condition.

World-wide industrial crises manifest an unhealthy and a humanly evil condition of society, developed to its critical stages. Political Economy had previously sought to understand capitalist economics before the evil social condition had proceeded so far as its modern precarious stage. From the seventeenth century to well into the nineteenth century the science of Political Economy was developed in its "classic" form; and "classic" economists had so far succeeded in locating the cancer in the body politic that orthodox economy suddenly discovered that it had already discovered too much. For by that time the capitalist system had come into its maturity, and its inherent natal malady had come to maturity also, for the periodical crises characteristic of the nineteenth century started their career in 1825. And "classic economy," as Marx calls it, then abruptly ended, and was followed by what Marx calls "vulgar economy"; for it would be "dreadful" if unemployed masses understood the so-called "unemployed problem"!

Thus it came about that any further advance in economic science, properly so called, could not possibly serve or entertain the capitalist class. And so, unless the science were destined to perish under a crushing load of ignorance, vulgarity and falsehood, of banality, neglect and dry-rot,

it simply had to become a proletarian science. And, by putting in its appearance in 1867, Karl Marx's peerless work, *Capital*, saved the scientific situation. This great work of Marx's is a masterly analysis of capitalist production and distribution.

Marx's work may be said to consist of three volumes. Vol. I deals with Capitalist Production (or the exploitation of wage-labourers) as a detail. Vol. II deals with Capitalist Rotation (or the turn-over of capital-value) as a detail ; and, of course, it also deals with interruptions to this rotation or turnover, viz. the industrial and commercial crises. Vol. III deals with the capitalist system as a whole, the most salient feature being to explain the social formation (the very deep and complicated formation) of that superficial phenomenon, the prices of commodities.

In the complete cycle of capital-value's turn-over, the production process is included as a very important detail. The various forms assumed by capital-value in capitalist industry are necessarily included in the concatenation of forms which altogether constitute the functioning circuit-of-passage for the rotating capital-value. The capitalist system, as a whole, is the rotatory turn-over of capital and the different serial forms which the rotating capital-value assumes therein. These transient forms of capital may be summarized thus : first, that form at the start of the value's rotation or circuit (viz. money) ; then those various forms at the value's entry into industry (viz. all the different means of production and labour-power) ; then the partly matured but unfinished forms at the various stages in industry ; then the different forms on the value's emergence from industry (as the finished new commodities) ; and then the form of the value's realization (money again) and all the final and appropriated forms partitioned or distributed in society as the enhanced capital-value (such as profits, rent, interest, etc.).

This whole movement can be primarily divided into two very distinct processes or activities, viz. the production process or producing activity, and the circulatory process of the market or formal circulating activity. Marx so divides the whole movement into these two processes by his Vols. I and II. In Vol. II Marx deals with Capitalist

Rotation,[1] and in Vol. I he deals with Capitalist Production.

Now let us take a brief synoptic statement of Vol. I of *Capital*:—

Marx's Vol. I is composed of eight parts.

Part I is upon "Commodities and Money," in which part money is shown to be developed out of commodities. All capitalist wealth is produced as commodities or values. The manifestation form of the values is necessarily the useful body of some other commodity. Hence the various historic value-forms (viz. the Elementary, the Extended, the General, and the precious-metal forms of value) in the evolution of money. The tracing of this evolution of money, and the evolution of the various functions of money, is the principal work of Part I.

Then Part II, "The Transformation of Money into Capital," traces the further development of that social reality, called "value," even past the mere money stage. As the medium of circulation, money functions in the circulation of commodities; but here in Part II, by means of a commodity as the circulating medium, "value" is shown to effect its own circulation as capital. Let us, thus early, see the explanation of this. In the "simple circulation of commodities" there is always implied the exchange of equivalents, as is easily seen by the changes that happen to the commodity's money form; £2 worth of a commodity is converted into £2, and then it is re-converted into £2 worth of some other commodity, and thereby one £2 worth is converted into some other £2 worth. But in the circulation of capital such a total result would be silly. To convert £100 into commodities and then to re-convert these commodities into £100 would only be senseless. Therefore the "General Formula for Capital" is only such a formula as indicates an increased, or expanded, value at the end of the process; such, e.g., as indicates £100 at the start expanding into £110 at the finish. But here we encounter a glaring contradiction. When £100 is invested as capital, the £100 is converted into £100 worth of commodities; and then,

[1] Which rotation includes the circulation and (as an extension of the "value-in-process" movement, or capital motion) constitutes a kind of "circulation"-extension.

when its re-conversion into money takes place, there is again the implied exchange of equivalents, viz. so-much-money's worth converted into so much money. Yet, by the whole process, the £100 is expanded into £110! Therefore something must happen in the background to the commodity, which here does duty as a circulating medium in the circulation of capital. The £100 worth which the capitalist buys, in order to subsequently sell, must in some way expand itself into £110 worth. Therefore the capitalist must find, on the market, some special commodity, the use-value of which special commodity must be such that, when the commodity is consumed, the consumption of it is at the same time the production of value. And the capitalist really does find such a special commodity on the market, viz. the labour-power of the working class. When the capitalist consumes the labour-power which he has bought, it results in a gain to him, because the value of the labour-power is a very different quantity to that other value which consumption of the labour-power produces. In the labour process (the consumption of labour-power), the labour-power replaces its own value, and, besides, produces a "surplus value."

Part III traces "The Production of Absolute Surplus Value." This form of Surplus Value is a capitalist gain which is realized by exploiting the workman's labour-power beyond a certain "necessary" labour-time, i.e. by consuming the labour-power for a longer time than is necessary to produce the labourer's living.

Part IV traces "The Production of Relative Surplus Value." This form of Surplus Value is produced through the shortening of that work time which is "necessary" to produce the labourer's living, so that an extra Surplus Value shall fall into the exploiter's hand. For example, if, by new methods, the workmen produce his living in three hours instead of four, the exploiter will thereby obtain the difference as an extra hour of Surplus Labour or Surplus Value. This is what Marx calls "Relative Surplus Value."

Part V, entitled "The Production of Absolute and of Relative Surplus Value," scientifically fathoms the origin of Surplus-Value Production, and it traces the mathematical laws of its varying quantitative proportions. Also, this part

gives us various formulæ for the rate of Surplus Value, which, in the respective different ways, exhibit the same rate of Surplus Value.

Part VI, entitled " Wages," shows that wages are simply the transformed value of labour-power. Just as, when £2 worth of a commodity is converted into £2, the £2 represent the transformed commodity's value ; so with £2 worth of labour-power converted into £2 as wages, these wages are simply the transmuted value of the labour-power.

Part VII, " The Accumulation of Capital," traces out the conversion of Surplus Value into fresh capital. First we are shown how the total capital is reproduced, while surplus-value is thrown off, in the industrial process. Then, proceeding past this stage of " simple reproduction," we see that the accumulation of capital, or growth of the total capital, is the result of converting a quantity of surplus-value into fresh capital. Marx also traces out, and plentifully illustrates, the fact that accumulation of capital is accompanied by the accumulation of misery and an increased grinding toil for the working class.

Part VIII, " The So-called Primitive Accumulation," traces out the real historic start of this capitalist process. The popular supposition is that, before capital could start its periodic turn-overs, the capitalist must have been industrious and thrifty ; and, with equal force, it is supposed that the labouring class must have been lazy and extravagant ! Well, this Part VIII of Marx's shows what the so-called Primitive Accumulation really and truly consists of. It mainly consists of two details—two opposite, but closely connected, phases of the Accumulation—viz. accumulation, into a few private hands, of common lands stolen from the common people (thus depriving these common people of their natural means of supporting themselves , and accumulation of these same expropriated and hunted common people chiefly in the towns, where they are " free " from any independence (thus placing them just where and how they are wanted by the embryo capitalist, who then exploits their strength or labour-power to his heart's delight).

Such then, in brief, is the burden of Marx's Vol. I of *Capital.*

Unfortunately, in the English version of this Vol. I, there are numerous mishaps and crudities, which were probably quite unavoidable in the initial translation of such a big book on the new proletarian science. It was perhaps unavoidable, for instance, that forms of the same word, " expanded " should crudely and mischievously appear in three different applications, viz. first, to characterize the second historic " form of value," in which a value's expression consists of the bodies of all other commodities (in Chapter I, where I have introduced the word " extended ") ; second, to characterize the more abstract constitution of value in extended commerce (in Chapter II, where I have substituted the phrase, " broadening of the value character," in place of the phrase, " value . . . expands ") ; and third, to characterize (most adequately) the augmented magnitude of an increased capital-value in the various other following parts throughout the volume.

Let it be quite clear that no disparagement or discourtesy is intended herein towards conscientious teachers and leaders of the working-class movement. In the present English form of Marx's Vol. I it is only to be expected that earnest men and women unavoidably misunderstand quite a large number of Marxian economic details which it is extremely important to correctly understand. The proletarian science is the biggest and most momentous concern that has ever yet engaged the human mind ; and none would more readily subscribe to the straightening out of previous error in this domain than the best-minded and the most scientific working-class advocates. Therefore be it plainly understood that, in respectfully pointing out where different writers have wrongly inferred what they honestly believed to be Marx's meanings, nothing is aimed at in these pages but the pre-eminently necessary and the pre-eminently important clarification of the proletarian science.

A few words about myself seem to be in place here. Who am I, that I should be so venturesome as to interpret the meanings of Marx's work ? In the year 1903 I had the good fortune to find a second-hand copy of the wonderful Vol. I of Marx's *Capital*. Since then, what leisure time I have been able to steal from a busy life has been mainly

devoted to studying and clarifying, to expounding and teaching, Marx's work. Besides, in the proper appreciation and presentation of Marx's economics, I think I may fairly claim to have done some really pioneer work. I have been the first to call attention to quite a number of different Marxian points. Not to unduly obtrude myself, I hope, I will merely mention three or four extremely important instances : I was the first to give a Marxian definition of the economic category, " Capital." I was the first to point out that Marx had altered or reversed the scientific applications of the two terminological expressions, " value " and " exchange-value " ; as, previously, I was also the first to emphasize the essential distinction between these two terms. And I was the first to point out that Marx had never declared the commercial exchange of equivalents.

Of course, it is very important in any science to distinguish, even minutely, between the different terms of the nomenclature. In science it is not so much the resemblances of things that matter ; it is their differences that are the real feature of importance. Take the following rather long pairing list of Marxian economic terms—qualitative and quantitative, substance and form, concrete and abstract, use-value and value, value and exchange-value, exchange-value and price, exchange of commodities and metamorphosis of commodities, absolute value and relative value, social division of labour and manufacturing division of labour, production and capitalist production, nominal wage and real wage, necessary labour and surplus labour, exploitation and expropriation, concentration and centralization, capital and forms of capital, surplus-value and its divisional parts (profits, interest, etc.), and so on.

It is easy to see that, with the constant use of some or other of these terms (not to mention hundreds of others), unless great care be taken, great confusion will assuredly ensue ; and confusion almost always carries with it the damage of discouragement.

A little further on we shall take a more detailed statement of a single part of Vol. I, viz. Part I. But, before doing so, we will briefly notice what may be called the key, or the keynote, of the whole of Vol. I. As, also, we will notice

something of the lamentable degree to which this wonderful keynote is missed by the proletarian " scientists " of our day.

Karl Marx's Vol. I of *Capital* teaches us that Capitalist Production, the production of that wealth upon which capitalist society lives, is the modern exploitation of the working class. The meaning of this term " exploitation " is concisely shown by Marx in *Value, Price and Profit.* On p. 54 of that booklet (*New York Labour News* Ed.) Marx tells us that the capitalistic exploitation is the ratio between capitalist gain from wage-labour and the expense or upkeep of that labour ; which ratio is " the real ratio between [unpaid and paid] labour, the real degree of EXPLOITATION . . . OF LABOUR." Which plainly carries the sense that the " exploitation " of the labouring class means working the workers as though they were bullocks and horses ; it means the working of a fellow-being's body-strength by the capitalist for the capitalist's own advantage and profit.

It is a fact that society cannot live but by means of human labour. One part of capitalist society lives without itself labouring, of course ; but these people would perish if there were not the products of some other people's labour to live upon. And, just as a donkey-driver gets his load up-hill by directly exploiting his donkey, so the capitalist class gets its living by directly and indirectly exploiting the labouring class.

Exploitation of the labouring class was not invented by capitalism ; exploitation was already developed for the incoming capitalism to take over as an established custom But capitalism necessarily altered the form of it ; otherwise it would not have been incorporable, or rather, transformable, into the capitalist system. It is well known what was the form of exploitation under chattel-slavery, viz. using or working the labouring strength of chattel-slaves. It is equally well known what was the form of exploitation under Feudalism, viz. using or working the labour-power of serfs. But it is not so well known what is the form of exploitation under capitalism.

For the exploitation of the wage-labouring class the

capitalist system has trappings and forms, covers, gear, paraphernalia and general panoply of its own. Capitalist exploitation of the working class is carried on by means of the pre-developed surplus labour, combined with the pre-developed commodity as an up-to-date covering for it. The necessity for such a covering or disguise for surplus labour or slavery is interesting by the way, perhaps, as indicating the historic trend of social development towards approaching freedom ; but it is the direct outcome of only industrial development. At all events, the capitalist exploitation of the working class is effected under cover of the production and distribution of commodities. Therefore Marx's Part I, consisting of the first three chapters of *Capital*, analyses commodities, their outcrop and counterpart, money, and the conditions necessary for these to function in, viz. the conditions of the exchange process.

Now, the capitalist exploitation of the working class did not become a fact simply by commodities and money having been previously developed. It could only become a fact by the partially developed conception, " capital," being applied to industry. But before this capital could be so applied, it had to be previously conceived as a social reality. Therefore Part II shows the further development of " value," past the mere money stage, into " capital " ; and shows the application of this capital, in its money form, to the purchase of the requisites for capitalist industry, including that most important requisite, the labour-power.

But the capitalist exploitation of the working class only takes place where and when the working class functions ; and there and then (viz. in industry) the working class is exploited by being compelled to produce the " surplus value." Therefore Marx's next part, Part III, gets right on to the labour process. Capitalist exploitation of the working class fundamentally consists in deliberately working the labourers, as though they were horses or motor-cars, by making them produce not only their own living, but (by an absolute extension of their labour-time past such " necessary " labour) somehow compelling them to also produce the livings of the capitalist class. Therefore Marx here first analyses the labour-process, and subsequently he analyses the capitalist

labour-process, with its absolute extension of the labourer's labour-time past the end of the "necessary" labour-time ("necessary" to produce the labourer's living). Marx, in this Part III, therefore deals with the "production of absolute surplus-value," in which part he also depicts, historically, the progressively greater and greater extension of working-time for the labourers from the fourteenth century up to the middle of the nineteenth century.

By this time Capitalism had so mercilessly extended the "exploitation" time that legal restrictions became essentially necessary in order to save the very useful working class. There was such a serious deterioration from the fit-and-proper working condition of the working class that statutory interference became indispensably necessary in order to save the working class from further deterioration, if not from positive unfitness for labouring at all. And so it transpired that a time limit for the working day was legally imposed, and any further-extended "exploitation" of the working class could therefore only be by encroachment upon the "necessary" labour-time (the time "necessary" to produce the labourer's own living); and this could only be done by means of labour-saving devices, which would enable the labourer to produce his own living in less time and would thereby set free more of his time in which to produce the livings of others. Therefore Marx's Part IV deals with the "production of Relative Surplus Value," which means the production of surplus value during work-time that had formerly been part of the "necessary" labour-time, but which "necessary" labour-time became converted into additional surplus-labour-time.

And so on right through Vol. I. The correct keynote all the time, for the whole eight parts of Vol. I, is the objective and fundamental "exploitation" of the working class.

The special sense of this word "exploitation," as intended and demonstrated by Marx, is, by most people, either badly misunderstood or totally missed, even by many well-meaning people in the working-class movement. Marx introduced "this French word" into English, as being specially suitable for conveying the sense of working one's fellow-beings in

order to gain from them the gratuitous products of their labour.

The correct Marxian sense of the kindred word "exploiter" is exemplified by De Leon in his translation of Kautsky's pamphlet, *The Working Class*, where he says on p. 7: "With regard to his workmen, he (the capitalist) is not a FELLOW-WORKER; he is only a DRIVER, an EXPLOITER." But a "Socialist" pamphlet, entitled *Ability and Labour* (published in Melbourne by "Radix"), splendidly exemplifies how the Marxian term "exploit" has been converted into a wretched and "vulgar" banality. According to p. 29 of that pamphlet, the capitalist exploits "genius."

And where does the "cruel" capitalist "exploit genius"? Does he do it in the factory? No; he only does it in the market! And how does he "exploit" the genius, or how does he work the "genius," in the market? According to "Radix," the "cruel" capitalist "exploits" genius in the market simply by buying its products!

Just imagine that! On this ridiculous basis, it might be said that a workman "exploits" the "poor" capitalist by buying his capitalistic products!

Another example of the banality form of the verb "to exploit" comes to us in a pamphlet of Gustav Bang's, in the English translation of which pamphlet the proper use of the word "exploit," or the kindred word "exploitation," is badly missed. In Bang's *Crisis in European History* (translated by Arnold Petersen, and published in New York in 1919) the word "exploitation" occurs no less than thirty-five times in the course of its fifty pages, and in *every instance* the word is used only in the "vulgar" sense of expropriation or impoverishment, either of persons or of land. The real Marxian sense of "exploitation" is absolutely missed; nowhere in the pamphlet is the real working-class exploitation recognized in the slightest degree!

The sole use, or even the extensive use, of this word "exploitation," in the "vulgar" and comparatively harmless sense of robbing or impoverishing, is wrong. It is, unfortunately, the insipid and harmless application of the word usually encountered by English readers.

Amongst people who are "blessed" with a taste for

" vulgar economy," it is the fashion since Marx's time to speak of exploiting science, exploiting the country, exploiting the public, exploiting the market, and even of exploiting the things of the market. The effect of all this upon the Marxian verb " to exploit " is to side-track it, to vulgarize it, and to make it stale ; so that when Marx's message is presented (about the revolting exploitation of the working class—the exploitation in the world that really matters), the message may fall upon tired and jaded ears !

All the ills of society, such as penury and degradation, etc., and even such as modern wars, are directly or indirectly traceable either to this fundamental working-class exploitation or to the strife of realizing its results: The paramount importance of this economic subject—this fundamental exploitation—has not been generally recognized. The science of economics explains the society maintained by the economics. The different economics of different societies of the world constitute the one fundamental means of understanding the societies and their characters, and even of understanding the social constitutions and characters of the societies' individuals. Just as a knowledge of the things which the lion lives upon will make possible an understanding of the lion and its character, or just as a knowledge of the things which the lamb lives upon will make possible an understanding of the lamb and its character, so a knowledge of the wealth production and distribution which a society lives upon will make possible an understanding of the society and its character. To go further, it is only by first understanding wages that the wage-labouring class can be understood, just as it is only by first understanding surplus-value that the capitalist class can be understood. And to quite understand capitalist society as a whole it is absolutely necessary to understand capitalist production and distribution as a whole—that is to say, it is first necessary to understand capitalist economics.

Now let us take a statement of Part I of *Capital*, or, rather, of the main thread of Marx's Chapters I and III.

As is well known, a commodity's price is simply so much money which expresses the commodity's value. This money-expression of value is the fully-developed exchange-value. Exchange-value is the useful body of a commodity that

expresses another commodity's value. Value is the product of, or embodiment of, society's labour ; that is, a commodity-producing society's labour. But labour, and therefore society's labour, primarily, can be applied to (or be embodied in) only the previous products of Nature.

To more fully state this : The price of a commodity is a money-expression of the commodity's value. The price is caused by the value (inside a commodity) expressing itself by means of the money (outside that commodity). Value came to express itself as price (or, what is the same thing for the nonce, money came into existence) through precious metal being socially selected, as a special " general equivalent," from quite a crowd of " general equivalents " in the different markets of the world. Each of these primitive " general equivalents," such as wheat, silver, cattle, gold, slaves, bronze, etc., in the different markets (there would usually be a number of " general equivalents " in every regular market)—each was the outcome of an established commerce in the " equivalent " article. That is to say, any " general equivalent " necessarily resulted from the habitual exchange by a community of many sorts of commodities in return for one special commodity habitually imported, and from the consequent expression of all the local values in this imported commodity's body. But this was the accompaniment and counterpart of something else, viz. the " extended " expression of value, the " extended " expression of the imported commodity's value ; which " extended " expression of value means the bodies of local commodities, as so many different " equivalents " of the imported commodity. This " extended " expression of a value directly followed from habitual exchanges of one sort of commodity in return for many other sorts, by the value of the " one " expressing itself in the bodies of the " many others." This habitual exchange of one sort of commodity for the many other sorts was the outcome of commerce developing on the basis of common barter—which common barter itself arose with, and developed with, the production of " commodities " (embodiments of that peculiar social reality called " value "). And commodity production arose with the division of labour in society. But what, then, are these commodities ?

Commodities are industrially produced useful objects, charged with a social property called value (just as a piece of " live wire " is charged with the natural property called electricity) ; for the commodity is a combination of use-value and value (which value, at bottom, is merely a given portion of society's embodied-labour). Use-values thus combined with this purely social thing, value, always result from human labour. But these use-values (useful bodies of commodities) are not the results of labour alone. Such use-values are the results of human labour applied either to direct products of Nature or to previously modified products of Nature ; and it is only the value in them that is wholly and solely created by labour.

We can express all the foregoing in another way : Primarily, every material thing in the world comes into existence as a product of Nature. With the development of human beings and human society, in the course of long ages, the products of Nature useful to mankind become transformed into commodities by having the something called " value " embodied in them. This " value," embodied in a commodity, expresses itself by the acceptable body of another commodity. And thus a commodity, a socially converted industrial product, acquires an exchange-value ; that is to say, the commodity acquires an outward expression or manifestation of its inner value ; it acquires the representative body of another commodity. In the course of more ages this very simple exchange-value of a commodity, this very simple value-expression, develops into the money expression of value.

To more fully state this : All the material things in the world arise, in the first place, as natural products. Some of these things are use-values to humanity (in what is called " individual consumption ") naturally, without the application of any human labour ; such, for instance, as fresh air and sunshine. Some others of these natural material things are use-values, but only in what is called industrial, or productive, consumption ; such, for concrete instances, as man's rude implements of stick and stone or the rude forests and glades that he works in. But most things have to be modified by human labour, in some way or other, in order to become human use-values at all ; and so, generally, it is

only by means of human labour (which modifies them into some necessary form) that the products of Nature become use-values to mankind. After the lapse of ages, through what is called the social division of labour, the industrially produced use-values become " commodities " by being made to carry value in them, or by the embodied-labour in them taking upon itself a social character. After more ages, when these labour-products become deliberately produced as commodities or values, the products go to market (as such commodities or values) and meet with other commodities for the purpose of exchange. Before the actual exchange of a commodity takes place, the commodity's value expresses itself in a quantity of some other acceptable or " exchangeable " commodity, which quantity (of another commodity) becomes its exchange-value. This very simple kind of exchange-value, or value expression, undergoes an historical development. At first the value is expressed in one other commodity of some different sort (what particular different sort is quite " accidental ") which fits in with the owner's requirements. When the exchange of a commodity becomes habitual (i.e. when one sort of commodity regularly comes into a local market), its value is repeatedly expressed in any number of all other different commodities ; and this repeated expression of the one value constitutes its " extended " expression or " extended form." But, as a natural consequence, the values of other commodities (exchanged for this regularly coming commodity) are all expressed in quantities of this one special commodity ; which special and habitually exchanged commodity is excluded from the rest of the commodities as their " general equivalent." In such a simple way is established those " general equivalents " which occur in all the early habitual markets of the world. Then, later, the " general equivalents " are superseded by one universally recognized " universal equivalent." The values of some whole commercial market are preferably expressed in the body of only one special commodity, viz. a precious metal, the body of which " equivalent "-commodity therefore becomes a special and universal equivalent and supersedes all the other " general equivalent "-commodities. Thus, finally, there comes into existence that golden expression

of the generality of values, that comparatively modern expression, called " money."

But social development still proceeds. And the social product called money, which had so simply developed as a social reality, proceeds to acquire quite a host of different functions, as presented in Marx's Chapter III. These various functions or aspects of money are as follows: measure of value, standard of price, money of account, medium of circulation, coins, token coins, paper money, ideal means of purchase, means of payment, cheques and bills, etc., means of hoarding, bullion, universal means of buying, universal means of payment, and universal embodiment of social wealth.

Just as the social reality which is money was developed by serial degrees from the primitive labour product, by means of the social division of labour and the gradually developing social processes of exchange and value expression, so, subsequently, all the superimposed functions or aspects of money were serially developed out of the money's first and fundamental function, the " measure of value," by the further development of exchange and other social relationships.

Springing directly from the " money-equivalent " or measure-of-value function are three other functions, viz. the " standard of price," the " money of account," and the ' circulating medium."

The " standard of price " means such a standard as the " pound sterling," which measures off all its multiples and all its divisions and sub-divisions (such as hundred of pounds or such as half-crowns, shillings and pence, etc.), which, by all sorts of combinations, will tell off or measure any degree of price whatever.

The " money-of-account " function of money is that by means of which any degree of value can be accounted, such, for instance, as the value-size of an article or the value-size of some national debt or of some huge war cost.

The " medium-of-circulation " function is that by means of which the circulation of commodities, or double " metamorphosis of commodities," is effected. This circulation is quite distinct from the simpler exchange of barter. By barter the 20 yards of linen are converted into one coat, and the

one coat is converted into the 20 yards of linen. But, by means of the " circulating medium," the linen can be converted into a Bible, and the Bible can be converted into brandy.

Springing directly from the function of money as the circulating medium are three more functions, viz. coin, the ideal means of purchase, and the means of payment.

The function of " coin " is that function of money by means of which the money is in motion—by means of which money is current or running from hand to hand.

The function of " ideal means of purchase " is that money function by which, although the money is merely promised, the purchased commodity is caused to change hands.

The " means-of-payment " function of money is that by means of which any debts, incurred in any way, may be discharged.

Now, from the function of coin, in which money moves from hand to hand and wears away to some extent, and consequently comes to represent more value than it actually carries, the possibility of " token coin " is perceived. And so there springs up the function of " token coins," such as the shilling and the penny, which, by means of this function, respectively represent about twice and four times the value actually carried by them.

And from this function of token money, which amounts to the veiled representation of absent value, there springs up the function of " paper money," in which latter the representation of absent value is quite unveiled, for the " paper money " is merely symbolic.

From the function of " means-of-payment " there directly springs the function of " cheques, promissory notes," etc., by means of which function the various obligations are handled and discharged without the actual presence of money itself.

And now we come to a function which has the peculiarity of springing from three other functions, viz. the function of " means of hoarding." It springs partly from the two earlier functions of " medium of circulation " and " means of payment," and partly from the function of " bullion " (which constitutes a transformation of the basic " measure of value," as the whole world's " universal expression of value ").

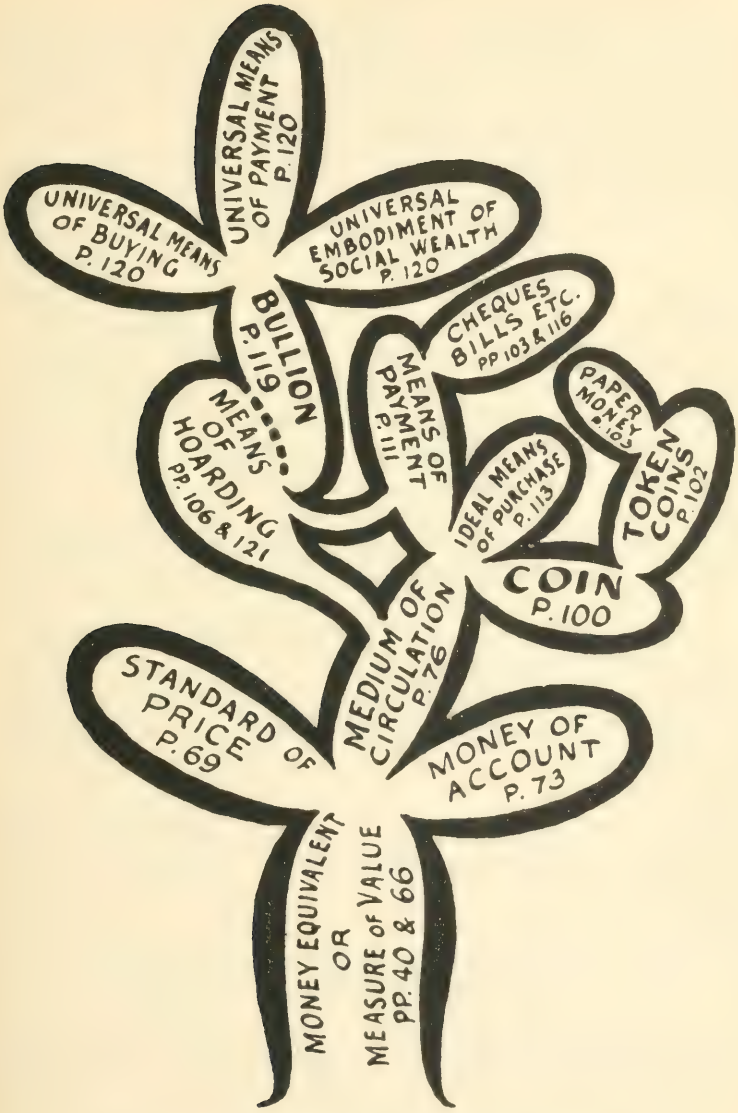

DIAGRAM OF THE ORDER OF DEVELOPMENT OF ALL THE FUNCTIONS OF MONEY, AS DETAILED BY MARX.

The page references are to *Capital*, Vol. I. (Swan Sonnenschein edition). For Kerr's ed. add 40 to each page reference.

Finally, from this "bullion" (this value-expression of higher importance, this "universal" expression) there spring three functions, viz. the "universal means of buying," the "universal means of payment," and the "universally recognized embodiment of social wealth."

In the diagram on p. 41, we can see all the various functions of money at a glance. They are all springing primarily from the basic "money equivalent" or "measure of value." But they spring, directly, each from its predecessor. Page references to *Capital* (Swan Sonnenschein edition) are also given for each function so presented.

There is one rather irregular part of the diagram, and that is the "bullion" part, which has the appearance of some overgrowth, partly feeding the "means of hoarding" and yet being partly fed by them; and it does not appear in the diagram clearly as what it is, viz. a new and more important aspect of the basic "measure of value."

However, the diagram is merely intended to show the formation sequence of money's generality of different functions.

Before proceeding to the summary of Marx's Chapter I let us now carefully note the way in which it is set out. As was remarked in the Preface, this Chapter I of Marx's is a big book in itself; therefore, if we wish to understand it, we cannot notice too carefully how this wonderful chapter is planned out.

First of all, then, Chapter I, entitled "Commodities," is cut up into four separate portions called "sections," as :—

SECTION.	
1	Use-Value and Value, or the Two Factors of a Commodity.
2	The Two Characters, or the Ambiguity, of the Commodity's Embodied Labour.
3	Exchange-Value, or the Form of Value.
4	The Fetishism of Commodities, and the Secret Thereof.

Neither of the two opening sections offers any great difficulty or complication, "section 1" finding the social reality "value" to be socially necessary labour, in contradistinction to use-value, and "section 2" finding that such labour has two distinct qualities or characters. But it is otherwise when we come to "section 3." And so next we note that "section 3," which is upon "Exchange-Value, or the Form of Value," is cut up into four subsections, as :—

SECTION.	SUB-SECTION.	
3	A	The Elementary or Accidental Form of Value.
	B	Total or Extended Form of Value.
	C	The General Form of Value.
	D	The Money Form of Value.

Then subsection "A," which is upon the "Elementary Form of Value," is further cut up into four divisions, as :—

SECTION.	SUB-SECTION.	DIVISION.	
3	A	1	The Two Poles, or Opposite Sides, of the Value Form.
		2	The Relative Form of Value, the Relative Pole or Side of the Value-Expression.
		3	The Equivalent Form of Value, or the Equivalent Pole or Side of the Value-Expression.
		4	The Whole Elementary Form of Value.

After finding in division " 1 " that the value form consists of two different sides, we quickly find the subject very complicated, very subtle and really difficult, laden, too, with profuse and unexpected details. One of the two sides—viz. the " relative " side—is now taken up for separate examination, first as to its nature and then as to its extent. Accordingly division " 2," which deals with the Relative Side of the Value Form, is now cut up into two subdivisions, as :—

SECTION.	SUB-SECTION.	DIVISION.	SUB-DIVISION.	
3	A	2	*a*	The Nature and Meaning of this Pole or Side.
			b	The Determination of its Relative Quantity.

Then this subdivision, " *b*," which deals with the determination of the comparative quantity of the Relative side, includes four examples of value variation, as :—

SECTION.	SUB-SECTION.	DIVISION.	SUB-DIVISION.	EX-AMPLES.	
3	A	2	*b*	I	Value Variation of the Relative side, with the value of the Equivalent side constant.
				II	Value constant on the Relative side, with value variation on the Equivalent side.
				III	Value variation on both the Relative and the Equivalent sides.
				IV	Complex variations of the value on both sides of the Value Form.

The most difficult part of the chapter is, probably, division "3" upon the "Equivalent Form," although it is not dissected into subdivisions. This elementary "equivalent" is the passive manifestation of that other value, by which it has been actively selected as such equivalent; it is the germ which develops through intermediate stages up to the "dazzling" money, and which Marx has revealed as containing in embryo all the subtlety and magic which finally, for thousands of years, mystified the human mind. We cannot study the "equivalent" too carefully. Division "4" is not very difficult; like division "3," it has no subdivisions. And so we next notice that subsection "B," which is upon the "Extended Form of Value," is divided into three divisions, as :—

SECTION.	SUB-SECTION.	DIVISION.	
3	B	1	The Extended Relative Form of Value, or Extended Comparison of Value.
		2	The Particular Equivalent Forms.
		3	Defects of the Extended Form of Value.

Lastly, subsection "C," which is upon the "General Form of Value," is also divided into three divisions, as :—

SECTION.	SUB-SECTION.	DIVISION.	
3	C	1	The New Character of this Value-Form.
		2	The Mutual Development of the Value-Form's Two Sides, the Relative Side and Equivalent Side.
		3	Passage from the General Form of Value to the Money Form of Value.

Therefore the whole plan of this tremendous Chapter I is as follows :—

CHAPTER I

SECTIONS.	SUB-SECTIONS.	DIVISIONS.	SUB-DIVISIONS.	EXAMPLES.
1				
2				
3	A	1		
		2	*a*	
			b	I
				II
				III
				IV
		3		
		4		
	B	1		
		2		
		3		
	C	1		
		2		
		3		
	D			
4				

FOREWORD

In the preparation of the following summary of Marx's first three chapters a little book of the " Bellamy Library," entitled *Karl Marx's Theory of Value*, has often been of great assistance. It comprises the first nine chapters of Marx's *Capital.* It is a translation by J. B. (possibly a Bellamy), and is published by William Reeves, Charing Cross Road, London. This little book is very faulty in parts, but in other parts, in the absence of the German original, it has constituted a valuable check upon, and a corrective for, Moore's translation, as also sometimes a very helpful corroboration.

The page references to *Capital* are generally to the Swan Sonnenschein edition, but the corresponding pages for the Kerr edition are to be easily found by adding forty to any of these page references, because the Kerr edition starts Chapter I at p. 41 instead of at p. 1.

Throughout this summary of Marx's first three chapters, unless otherwise specified, the paragraphs all tally with corresponding paragraphs of Marx's text.

PART I

COMMODITIES AND MONEY

CHAPTER 1

(SUMMARY)

COMMODITIES

" SECTION 1 "

Use-Value and Value, or the Two Factors of a Commodity

THE unit of capitalist wealth[1] is the commodity; therefore we commence with its analysis.

A commodity is a something which satisfies some human want, either directly as means of consumption or indirectly as means of production.

A commodity may be regarded qualitatively or quantitatively. In other words, a commodity may be regarded as to its composition or character (even its different characters), or it may be regarded as to its quantity (such as tons or ounces, yards or inches ; cubic feet, square yards, or gallons ; or millions, grosses, or dozens).

The quality of satisfying some human want makes the commodity a use-value.[2] This useful quality of a commodity

[1] In Aveling's *The Student's Marx** the word "wealth" appears without any qualification. This is wrong. Marx distinctly means the wealth of Capitalist society. *(George Allen & Unwin Ltd.)

[2] On. p 2 Marx gives us an insight into his reason for first applying the term "value" to money as the reflection of a commodity (which application he afterwards abandoned). He here says : "In English writers of the seventeenth century we frequently find 'worth' in the sense of value in use, and 'value' in the sense of exchange-value. This is quite in accordance with the spirit of a language that likes to use a Teutonic word for the actual thing, and a Romance word for its reflection." In this connection it is interesting to recall the conversation between the jester and the swine-herd in Chapter I

is independent of the amount of labour needed to produce the commodity. Useful things or use-values are the substance of all wealth. In modern society these useful things are the material depositories of value (generally perceived as exchange-value, because exchange-value is the only actual appearance form of value).

At first exchange-value[1] only seems to be the proportional quantities in which the things exchange for each other, which proportional quantities are always changing. Hence, a value that is intrinsic, in the commodity itself, seems to be a contradiction.

But a commodity has a great many exchange-values, for it may be exchanged for proportional quantities of any, or of all, other commodities. Therefore these valid exchange-values of a commodity will be somehow equal to each other, and they will thus be the different expressions of some common something.

Taking any two different commodities which are regarded as the equal of each other in exchange, their equality shows that a quality or character of some kind is contained in both these different commodities. And these two commodities, which are different and yet at the same time somehow equal, must also be equal to some third commodity, which is yet different again to both of them.

Just as we decompose the area of spaces (with any number of sides) into the area of triangles, and then calculate those areas by means of the areas in these triangles, so exchange-values are resolvable into some common quality or character, of which common something the exchange-values represent different quantities.

of *Ivanhoe* (Sir Walter Scott), in which occurs the Anglo-Saxon complaint that the Anglo-Saxon "swine," "ox," and "calf," when served up to "the feast" among the Norman nobles, became respectively "pork," "beef," and "veal."

[1] On Aveling's p. 2 (*Student's Marx*) he tells us we are led (by Marx) to the consideration of exchange-value by way of the value. This is very deceiving. What Marx really does is first (on p. 3 of *Capital*) to lead us by way of exchange-value to the value. It is only afterwards that Marx leads us back to exchange-value by way of the value. On p. 15 we have Marx corroborating this, in a passage to the effect that "we started from exchange-value, or the exchange relations of commodities, in order to get at the value that lies hidden behind it. We must now return to this form [exchange-value] under which value first appeared to us."

This common something in commodities cannot be any of their natural qualities; for these natural qualities are necessarily different in the different commodities, and merely constitute the different utilities of the different commodities (whilst the exchange of the commodities is evidently based upon some common likeness). As use-values, the commodities are all of different qualities, or of different characters; but, as exchange-values, the commodities are merely different quantities.

Leaving out of consideration the use-values (or the differences) of different commodities, it becomes plain that there is only one common quality or likeness, viz. that of being products of labour. But, by leaving the different useful qualities of commodities out of consideration, we thereby leave out of consideration also the different kinds of labour (which produce the different commodities). And it further becomes plain that the commodities represent only one kind of labour, viz. abstract human labour, or the expenditure of human strength by society.

Considering, now, what we have remaining of each commodity, we see that it consists merely of that social reality, the embodied homogeneous labour of society. And, when regarded as the different solidified portions of that embodied labour (that social reality), the commodities are values.

In the exchange of commodities, the exchange-value appears as a something distinct, as a something separate from the use-values. But when we leave the use-values out of mind, there remain only the embodiments of undifferentiated labour, or values. And thus we see that the exchange-value merely manifests the common value of the commodities. Exchange-value is the only form in which value can appear. But we must now study the nature of value independently of exchange-value.

Useful things contain value only because abstract labour is embodied in them. The magnitude of this value is determined by the quantity, or the duration, of that labour (as days, weeks, or hours).

But it is not wasted labour nor superfluous labour that counts as value. It is only the quantity of labour which is normally necessary for production that so counts. The

total labour of society figures here as one undifferentiated mass. And the individual units in that mass of society's labour only rank as normal (or as value-forming) in so far as they are up to the normal standard of that mass.

Therefore the labour which forms the value of a commodity is only the amount of socially necessary labour embodied in it.[1]

Various conditions determine how much is the socially necessary labour in any product. In a good season a quantity of labour is embodied in a large crop; in a bad season the same quantity of labour is embodied in a small crop. Diamonds usually cost much labour and time to discover; therefore much value is crowded in a small bulk. If we could produce diamonds with very little labour, their value would consequently fall. Generally, the higher the productivity of labour, the less is the labour embodied in products, and the lower is their value; whilst the lower the productivity of labour, the more labour there is necessarily embodied in products, and the higher is their value.

An object may be a use-value without containing value. A use-value may even be the product of labour without being a commodity, i.e. without containing value. But if an object be not useful, it cannot contain any value, because use-value is the necessary abode for value.

"Section 2"

The Two Characters, or the Ambiguity, of the Commodity's Embodied Labour

Just as commodities have the two characters, of use-value and of value, so also the labour which produces the commodities has two distinct characters. And this ambi-

[1] In *Value, Price and Profit* (*New York Labour News* ed.) there is an important editorial error in the first sentence of the second footnote on p. 32. It there wrongly says: "According to the law of value, commodities exchange for each other in proportion to the amount of socially necessary labour embodied in them, respectively." But Marx teaches that, "according to the law of value," the value CONSISTS of the socially necessary labour. There is not in "the law of value" any question of proportions in which the commodities exchange. The "law of value" is one matter; the various laws of exchange and of exchange-value proportions are quite other matters.

guity forms a pivot upon which *bourgeois* political economy may twist and turn with double meanings.

Take two commodities, such that the value of one is double the value of the other—a coat and a quantity of linen.

The existence of the coat results from a special quality (a special kind) of labour. The labour which thus produces the useful coat is useful labour, and as such (useful labour) it only produces the use-value known as a coat.

Another quality (that is, another kind) of useful labour produces the other use-value called linen. Commodities would not be possible without the different qualities (the different kinds) of products, for exchange only occurs between different kinds of products; and different kinds of products would not be possible without different kinds of labour.

Division of labour is necessary for the production of commodities, but commodity production is not necessary for the division of labour; the social division of labour long preceded commodity production, and even the division of labour in a factory is quite independent of any exchange between that factory's different operatives.

But use-values cannot be exchangeable, or cannot stand to each other in the relation of commodities, unless the labour in them is of different kinds. In a society whose products are commodities this qualitative difference (between the labours embodied in various use-values) reveals itself as a social division of labour.

In being worn, the useful coat functions as use-value. Human beings made clothing for long ages before the appearance of any tailors. Useful labour was forced upon man by Nature, quite apart from any forms of society, and quite apart from any social division of labour. Useful labour, then, or the production of use-value, is essential to human life.

Those use-values, the coat, etc., or the bodies of commodities, are natural products that have been transformed by useful labour. Thus the labour is not the only source of material wealth—that is, of use-value. Useful labour fathers it, but the earth mothers it.

Leaving use-values here, let us now notice the value.

We assumed that one of our two commodities had twice

the value of the other. But this is not a qualitative difference, not a difference of kind; this value difference is only the quantitative difference of some incorporated sameness. Although, as use-values, the coat and the linen are the different results of different kinds of labour, still, as value, the coat and the linen are results of exactly the same kind of labour, viz. human labour.

Human labour is the expenditure of human labour-power, or the output of human strength, from human brains, nerves, muscles, eyes, hands, etc.[1] Weaving and tailoring are but two different ways of using up this common human labour-power. No doubt the common labour-power must have become skilled more or less in order to operate in so many different ways as it does; but commodity value represents a sameness—value represents human labour in the abstract, quite apart from any differences. Skilled labour ranks as multiplied or intensified simple labour (a mere quantitative difference, not a difference of kind); for, be the labour more skilled or less skilled, when embodied in commodities it is always equated to the product of that simple and unskilled labour embodied in the value measure.

As values, the coat and the linen had to be considered apart from their use-values. Exactly so it is regarding the embodied labour that constitutes those values; as the value substance, the labour of weaving and the labour of tailoring are exactly the same, viz. human labour, or the embodiment of consumed labour-power.

The linen and the coat are not only values; they are values of given magnitude. One commodity is twice the value magnitude of the other; this results from labour-power having to be expended in the production of the one for twice the time that is sufficient to produce the other.

Therefore the labour in a commodity counts (as to its extent of value [2]) only quantitatively; that is, as a quantity

[1] Marx has it as "expenditure of human brains, nerves, and muscles." But this is not absolutely correct. Labour is the expenditure of energy or force from these physical parts.

[2] In Moore's translation the passage reads "with reference to value." But this is not quite correct. J. B.'s translation has the correct sense, which is, "with respect to its extent of value" (*Karl Marx's Theory of Value*, p. 11).

of undifferentiated human labour. With use-value, the question is the Why and Wherefore of the labour? With the magnitude of value, the question is, What amount of labour?

With alterations in the productiveness of labour, the magnitude of value in the product alters. Coats may have more or less value than previously by requiring more or less labour to produce them than previously; whilst the use-value of them remains unaltered, and the embodied useful labour remains of the same quality—that is, remains of the same kind, viz. tailoring labour.

Increased quantities of material wealth (use-values) may therefore coincide with the decreased value of that wealth. This is based upon the two-sided character of labour. The increased productiveness of labour results in an increased output of use-values; but the value-product of that labour remains unaffected thereby, so much value continuing to be the embodiment of so much labour.

Labour, then, has two characters. In its abstract character it is the expenditure of labour-power from the physical bodies of the labourers, and in this character it produces value. Besides this, the labour takes upon itself some special or concrete form, as the labour of the boot industry or of the clothing industry or of etc., according to the social division of labour, and in this character it produces use-value.[1]

[1] The able editor, Frederick Engels, here appends an addition to Marx's footnote, which addition has caused considerable confusion. Engels practically tells us that labour has a qualitative side and a quantitative side, named respectively "work" and "labour" in English; that, qualitatively, the labour produces use-value, and that, quantitatively, it produces value. Now this statement is quite wrong in two ways. First, it is wrong about the quality of labour. The fact is that the labour is not confined to one quality; it has two qualities (or as Marx has it, "the twofold character"), viz. the quality of being concrete and the quality of being abstract. In its concrete character or quality the labour produces use-value; in its abstract character or quality, it produces value. Second, the statement is wrong about the quantitative aspect of labour. Quantitatively, labour does not produce value; it produces magnitude of value. Possibly it was this additional footnote of Engels's which misled Hyndman into the same error on pp. 46-7 of his *Economics of Socialism*. At all events, Marx was at great pains to show that labour has two qualities (which Marx was "the first to point out," vide *Capital*, p. 8) and a quantity. And this very "section 2" (to which is appended Engels's footnote in question!) is the elaboration of the fact of these two qualities.

"Section 3"

Exchange-Value, or the Form of Value

Commodities are useful things, or use-values, which contain value. Commodities are therefore ambiguous or two-faced; they have a physical (a natural and useful) form, and they have a value-form.

The reality called value is very shifty, and it is not perceptible to any of the five senses. Value is not a material reality; it is only a social reality. Commodities are embodiments and expressions of society's labour; this labour is the commodities' value, and this value can only express itself, or appear, in that social relation called the exchange relation. We found that exchange-value hides the value;[1] we must now analyse this exchange-value.

Although we have seen that a commodity's value is embodied in the commodity, everyone knows that to-day this value somehow takes upon itself the form of money, which value-form of the commodity is very strikingly different to the physical and useful form of the commodity. By discovering how the shifty value came to take upon itself a series of manifestation forms we shall solve the dazzling riddle of money.

The simplest exchange relation is that between two different commodities, which simplest relation gives us also the simplest value expression, the single or "accidental" or "elementary" form (or expression) of value.

Subsection "A"

ELEMENTARY OR ACCIDENTAL FORM OF VALUE

"20 yards of linen = 1 coat, or
20 yards of linen are worth 1 coat."

[1] Marx's text is: "We started from exchange-value . . . in order to get at the value that lies hidden behind it." Marx never identified "value" as being the same thing as "exchange-value," as is wrongly asserted by L. B. Boudin (*Theoretical System of Karl Marx*, p. 91); otherwise, how could Marx speak of the one hiding behind the other? (See Appendix B.)

Division " 1 "

THE TWO POLES,[1] OR OPPOSITE SIDES, OF THE VALUE-FORM

All the mystery of the value-form is in this elementary form. Here, then, is our task.

Here the two commodities play two different parts. The linen actively expresses its value by means of the coat's body, and the coat passively submits to it; the linen's value appears relatively or comparatively, and the coat's body appears as the equivalent.

These two poles, or different sides, of the value-expression are necessary to each other, and yet they exclude each other. Each pole or side must have a different kind of commodity. Value can only express itself by means of some commodity-body different to its own body. Value can only express itself comparatively by means of another sort of commodity. But the value of this other sort of commodity (the coat) is not expressed here; the fact is only that its body is used as the equivalent, or as the material expression, of that value (in the linen) which is expressing itself.

Of course, the value of the coat could be expressed by means of the linen, but only by reversing the value form, which would then become another expression, viz. 1 coat = 20 yards of linen. And in such case only the value of the coat would be expressed, not the value of the linen. So we see that a single commodity cannot be at both poles in (or on both sides of) the one value expression.

What pole or side a commodity occupies, in the value-expression, will depend upon whether it be the value that is actively expressing itself or be the material expression (the passive equivalent body). We must now consider one pole or side by itself, and we must first consider it as to its constitution.

[1] Marx uses the term " poles " in the scientific sense, as denoting the opposite extremities of the value-form. For analogy, the " poles " of the earth are the two opposite, or north and south, extremities of the earth; again, the " poles " of a magnet are the opposite, positive and negative, ends or extremities of the magnet. Similarly, here the two " poles " of the value-form are the two opposite extremities or sides, viz. the relative or actively comparing side, and the equivalent or passive side.

Division "2"

THE RELATIVE FORM[1] OF VALUE, OR THE RELATIVE POLE OR SIDE OF THE VALUE-EXPRESSION

Subdivision "(*a*)"

The Nature and Meaning of this Pole or Side

In order to understand the nature of this value that is expressing itself we must consider it quite apart from its quantity. Magnitudes can only be compared with each other when their expressions are made up from the same unit; it is only by means of some such common unit, some common essence in them, that they can be comparable and commensurable.

Whether the linen is equal to one coat or to hundreds of coats, there is necessarily implied some common quality or essence which constitutes that equality. The fact of so much linen being worth so many coats is based upon the other fact: that linen equals coat.

"To borrow an illustration from chemistry," propyl formate and butyric acid are both composed of the same chemical elements, viz. $C_4H_8O_2$. If, then, we should equate propyl formate to butyric acid, we should thereby refer to their common chemical base, and should thereby ignore their great physical difference.[2]

But the linen and the coat, whose basic sameness is

[1] Here we have an unavoidable ambiguity of the word "form." The "value-form" means the complete expression of value, consisting of the two sides. But besides that, the "relative form" and the "equivalent form" of value respectively mean the first and second sides or halves of that same complete expression, viz. the "value" that is expressing itself and the other commodity which stands as the material expression of it.

[2] This paragraph is here cut into two parts and reversed as to their order of sequence. The point to be illustrated, by Marx's chemical analogy, should be immediately followed by the analogy, without the interfering intervention of any fresh point. The so-illustrated point is this: that the commodity at the relative pole is fundamentally of the same identical quality as the commodity at the equivalent pole. When this fundamental equivalent character has been clarified by means of the chemical analogy, then the fresh point, about the different parts enacted by the two commodities respectively at the relative pole and the equivalent pole, is quite in order, for it will not then waste the student's time in looking for connections which do not exist.

implied, each act a different part. The coat is the recognized embodiment of value, for it is only as value that it can be called the equivalent; and the value in the linen acquires an expression outside the linen, for it is only as value that the linen is comparable with the coat.

If we say that a commodity is a solidified portion (or crystal) of social labour, we thereby refer to it as an absolute value, but we do not thereby assign to the value any form outside its own body. It is different in the value relation; the linen-value obtrudes itself (and the absolute value becomes relative) by comparing itself with the coat.

The fact that, as a value producer, the weaving labour is the same as the tailoring labour (and that it is therefore abstract human labour) is expressed by making the coat the equivalent of the linen.

But something more is needed. Living labour creates value, but is not itself the value. Value is only past labour, or dead and embodied labour. In order to express the value of linen, the value must be objectified, or must be perceived as an existing entity which is not linen; yet this entity must be a something common to linen and to other commodities.

Officially (as the equivalent), the coat is of the same essence as the linen, because it is value; the coat's palpable body represents value. Yet its body is a mere use-value which never tells us it is value. So, in the position of equivalent, the coat signifies more than when out of that position.

The coat is the product of labour; therefore it is accumulated labour or is a depository of value. Although this value or beautiful soul is invisible and impalpable, yet, as the equivalent of linen, the coat ranks as visible and palpable value or as embodied value which can be handled in the lump. But the coat cannot thus represent the linen-value unless this value happens to take the form of coat.

And so, in this value-expression, the coat becomes the "form of value" for the linen; the value of the linen is expressed by the useful bodily form of the coat. As use-values, the linen and the coat are vastly different; but, as values, they are alike, and the linen looks like a coat. Hence

the linen's value obtains a form (viz. coat) for itself which is very different to its own body (linen).

The same truth, as we have already seen, about the abstract labour of commodities, is again told us by the linen when it confronts another commodity. In its value comparison, the linen tells us that its embodied labour is the same as the coat's embodied labour; and the labour which is the same in both linen and coat can only be abstract human labour.

The bodily form of the coat becomes the value-form of the linen; the coat acts like a mirror to the linen's value. When the linen compares itself with the coat, the coat's use-value is thereby turned into the expression of linen's value. The absolute value of the linen, when thus expressed, becomes relative or comparative (becomes the "relative form" of value).[1]

Subdivision "(*b*)"

The Determination of its Relative Quantity

But commodities have definite magnitudes, and a definite magnitude of any commodity contains a definite magnitude of labour. Therefore the value-expression must not only express value as to its quality or character, but it must also express the value's quantity.

Our value equation, 20 yards of linen = 1 coat, implies that the same quantity of labour is embodied in the linen and in the coat. But, with every change of productiveness in weaving labour or tailoring labour, there will be correspondingly different quantities of labour embodied in these

[1] Marx's text reads: "The value of A, thus expressed in the use-value of B, has taken the form of relative value." For years I was under the impression that this sentence of Marx's was incorrect. But it is only so in the sense of being incomplete. The value of a commodity standing alone is an absolute value. But this absolute value becomes a relative value or a comparative value, when it is related to or compared with another commodity, in the value-expression. This (the process of absolute value becoming relative value) is a step—a necessary step—towards the commodity's metamorphosis, as detailed later in Chapter III. To be complete in the necessary sense, and to avoid confusion, Marx's sentence ought rather to have read: "The *absolute* value of A, thus expressed in the use-value of B, has taken the form of *relative* value."

articles. We must now notice the quantitative effects of these changes upon the value-expression.[1] We shall take four examples.

I. Suppose linen's value to alter quantitatively, while the coat's value remains constant. If the labour needed to produce linen becomes doubled, the linen's value also will be doubled; and, in the value-expression, 20 yards of linen will be worth 2 coats instead of 1. If, to the contrary, the necessary labour in linen be reduced by one-half, the value also will be reduced; and, in the value-expression, 20 yards of linen will only be equal to ½ a coat.

II. Suppose linen's value to be constant, and the coat's value to alter. If the labour needed to produce the coat becomes doubled, 20 yards of linen will only be equal to ½ a coat. If, however the necessary labour in the coat be reduced by one-half, 20 yards of linen will be equal to 2 coats.

Comparing I and II, the same results are seen to follow from opposite causes. The linen's value-expression doubles, either because the linen's value doubles or because the coat's value falls by one-half. And the linen's value-expression falls by one-half, either because the linen's value falls or because the coat's value doubles.

III. The values of both linen and coat may simultaneously alter in the same direction and to the same degree; they may both become reduced to half their established value or increased to double. In either of these cases the linen's value-expression will remain unaltered, although its value will have doubled or halved. In all such cases, the changes of value in the two articles could be seen by comparison with some unchanged third article. But if all

[1] Instead of "value-expression," Marx's words are "relative expression of value." This is not absolutely incorrect, but it is confusing to the student. It would have been better to keep the word "relative" scientifically applied as an adjective to value (as "relative value") instead of here suddenly applying it for a moment to the expression (as "relative expression"), especially as lower down on this same page there is the sudden reversal to "relative value" again. It is the "relative value," at the relative pole or side, which is expressed by the "equivalent" at the equivalent pole. And it is better to keep it consistently so; it is troublesome and confusing for a student to read of the "relative value" on p. 21, then on p. 22 to read first of the "relative expression" of value and afterwards of the "relative value expressed."

commodities rose or fell in value [1] at the same time their relative (comparative) values would be undisturbed, and their changed values could then be seen in their diminished or increased output.

IV. But the labour-time or value embodied in the linen and the coat respectively may alter to the same degree in opposite directions (the linen may need twice the former labour-time; and the coat, by labour-saving, may become twice as quickly produced as formerly); or they may alter to different degrees, either in the same direction or in opposite directions. In all such cases the quantitative effects upon the value-expression could be seen by means of I, II and III.

Therefore the effects of changes (of productiveness in weaving labour or tailoring labour) upon the value-expression, is this: that the different magnitudes of value in the linen are not reliably indicated by its value-expression (its comparative value).

Division "3"

THE EQUIVALENT FORM OF VALUE, OR THE EQUIVALENT POLE OR SIDE OF THE VALUE-EXPRESSION

When the linen expresses its value by the coat's useful body, it gives to the coat the special character of equivalent. The coat, without having any value-form outside its own body, is equated to the linen. By this means, and by the coat's being directly acceptable for, or exchangeable with, the linen, the value of the linen expresses itself. A commodity's equivalent form is directly exchangeable with that commodity.

[1] John S. Mill says: "But there cannot be a general rise of values . . . a general rise or a general fall of values is a contradiction." And why? Because, forsooth, "Value is a relative term," and "All things cannot rise relatively to one another" (*Principles of Political Economy*, Bk. III, Chap. I, sec. 4). Hyndman, too, bless your life, falls into the same error: "The only value known to economics is this relative value" (*Economics of Socialism*, p. 69), and "a general fall in values nobody ever saw or ever can see" (ibid. p. 59). The "vulgar" economist, who confuses value with exchange-value or with relative value, generally contrives to tell us that values cannot all rise or fall together. But why can't they? Why could not all commodities cost more labour, or why could they not all cost less labour?

When a coat becomes the equivalent form of linen, and is thus directly exchangeable with linen, we thereby see nothing of the proportion in which they are exchangeable. With a given value of linen, the amount of linen exchangeable for the coat will depend upon the value of the coat; and the value of the coat is independent of its value-form, for its value depends upon the quantity of socially necessary labour embodied in it. But when the coat is the equivalent form, its own value is not qualitatively expressed; the equivalent form only figures as so much of the special article.[1]

Because the coat is the equivalent, or because the useful coat serves as a lump of value against the linen, therefore so many coats (or lumps of value) will be the expression of so much linen-value. But the coats could never be the expression of their own value's magnitude. When a commodity acts as the equivalent, it is only the equivalent for another commodity, and its own value is not quantitatively expressed.

The equivalent form's first peculiarity is: that use-value (for example, coat) becomes the appearance form of value (for example, value of linen).

With the equivalent commodity, the bodily form becomes its official value-form (that is, becomes the "equivalent form," which this commodity stands as).[2] But note well that no commodity could stand as its own equivalent;

[1] I here put in the word "figures" from Marx's text, but a better word would have been such as the word "functions." The passage means that it is only the useful article, the use-value, coat, which here functions as "equivalent"; it is not the coat's value which so functions. In this regard we may notice an error of Daniel De Leon's, on pp. 5 and 7 of his pamphlet, *Money*. He there speaks of "one article of value by the value of which the value of all others is measured." This is erroneous. The value of commodities is only expressed or measured by the *bodies* of other commodities, *not* by the *values* of them. It is no different in the case of money; with money, as the measure of value, hours of labour are translated, not into hours of gold-production, but into quantities of gold. "The first function of money is to supply commodities with the *material* for the expression of their values. . . ." (*Capital*, p. 66.)

[2] Marx's passage here reads: "The bodily form of the commodity becomes its value-form." A most confusing sentence; not because it is incorrect, but because it seems difficult to remember that, at this point, "the commodity" means the "equivalent commodity," as well as because "its value form" means, not the form of its own value, but the "value-form" which the coat functions as (viz. "equivalent" of the linen's value) in the value-expression.

and that, therefore, every commodity, in order to express its own value, must find, for this purpose, the useful body of some other commodity.

An illustration makes this easy. A sugar-loaf has weight; and, in order to express this weight, it is put into a weight relation or weight comparison with a mass of iron. But it could not be put into this relation if the sugar-loaf and the iron did not both have weight. In this relation the iron stands for embodied weight, although the iron is not weight, and although the weight is quite invisible and cannot be touched. Not that the weight of the iron is thereby expressed; the iron's weight is a something taken as already understood. But the particles of the iron's material body here represent weight, and weight only; and the mass of the iron serves as the expression of the sugar-loaf's weight. Well, just as in its relation with the sugar-loaf in the scales the material body (the mass of iron) represents weight only, so the bodily form of the coat, in its value relation with the linen, represents value only.

But weight is a natural and material reality, whilst value is only a social reality. The iron represents a natural material property, viz. weight, which is common to both materials (the iron and sugar); but the coat represents a non-natural, a non-material, and a purely social reality or property which is common to the linen and the coat, viz. value.

Since the linen (the relative pole) expresses its value as a something distinct from its body, and as being like a coat, the social basis is very evident. With the coat (the equivalent pole) it is different. The essential character of this equivalent form is that its very body itself is the functioning value-form (just as though the value were lumps of itself), and therefore (i.e. because this value-form body, which the coat functions with, is its natural body) the equivalent form is endowed with its functioning value-form by Nature. Of course, this only lasts during the coat's value relation with the linen; but, since the coat's properties do not result from its relation to linen, its property of exchangeability seems to be as naturally endowed as its power to protect us from cold. Hence the usually unnoticed

puzzle of the equivalent form. Which equivalent form develops up to that disguising stage, the money-equivalent-form; which more complicated puzzle, in its turn, the capitalist economist then vainly seeks to analyse. The capitalist economist never sees that the Elementary Form of Value (such as our "20 yards of linen = 1 coat") already contains the whole riddle of the equivalent form.

The body of the equivalent (the coat) is an embodiment [1] of society's labour, or of abstract human labour; and, at the same time, it is the product of the tailor's labour (that is, an individual's labour, or a particular or concrete form of labour). This tailoring labour (or concrete labour) becomes, then, the appearance form of society's labour (or abstract labour). The tailoring labour (in the coat) does not represent the production of useful clothing when functioning as the expression of linen's value, it then only represents the production of value. In order to mirror or reflect the linen's value, the coat must only be seen as an embodiment of the same kind of labour, viz. the abstract labour of society.[2]

Being expenditures of human labour-power, both tailoring and weaving are included in the general or abstract labour of society, and they may be thought of in this light without any mystery. But in the equivalent-form of value (the coat) the position is reversed. The fact that weaving creates value (not by being a particular form of labour, but by being a part of the generality of labour) is expressed by equating it to the different particular labour of tailoring. Just as the coat's natural body became the tangible expression of linen's value, so now we see that the tailoring labour becomes the materialization of society's abstract labour.

Thus, then, the second peculiarity of the equivalent form: concrete labour, or a particular kind of labour, becomes

[1] In Marx's text the word used here is "materialization," but in the Kerr edition (p. 67) the word is erroneously printed as "materialism."

[2] The text in *Capital* here says: "In order to act as such a mirror of value, the labour of tailoring must reflect nothing besides its own abstract quality. . . ." This appears to be a fault of translation. An article does not reflect its own qualities. A better rendition of the sentence appears in J. B.'s translation (p. 24): "The tailoring, if it is to be a mirror of value, must reflect nothing but the abstract property of human work" (i.e. must reflect the linen's abstract labour).

the manifestation form of its direct opposite, the general or abstract labour.

But as this concrete labour (tailoring) thus passes as abstract labour, it could pass as any other sort of labour. Therefore, whilst it is private labour, it also ranks as social labour. Hence, its direct exchangeability with the linen. And so we perceive a third peculiarity of the equivalent-form : private labour assumes the form of social labour.

The second and third peculiarities may be more easily understood by reference to Aristotle.

First of all, Aristotle clearly indicates that the money form of value is only a further development of the Elementary form of value. He tells us that " 5 beds = 1 house " (the Elementary form of value) is of the same character as " 5 beds = so much money " (the Money form of value).

Aristotle also sees that the " equivalent," the house, would need to be qualitatively equal to the beds before they could be comparable and commensurable. (We have already seen this qualitative equality above, in subdivision " *a.*") But he goes no further. He says that in things so different there could not be any commensurability.

Aristotle shows us what stopped him in his analysis of the Form of Value. That reality, " value," had not yet been grasped by the human mind. He says that the necessary common something in the beds and the house had no existence ; but he is in error, for the embodied human-labour is that common something.

But there was a special reason why Aristotle could not have a concept of value and, therefore, could not exhaustively analyse the Form of Value. Before there can be any idea of the qualitative equality of different kinds of labour, it is necessary that the idea of human equality should have become widespread ; but Greek society was based upon slavery. The popular notion of human equality, and the decipherment of value as the equality of all human labour, could not happen until the great mass of society's products took the form of commodities.[1] Aristotle was prevented

[1] In *The Student's Marx* there is an important error at this point. It there (p. 9) says : " His (Aristotle's) time was, of course, long antecedent to that time in which the expression $xA = yB$ is possible ; i.e. long antecedent

from seeing the labour basis or the qualitative equality in commodities by the social conditions of his time.

Division "4"

THE WHOLE ELEMENTARY FORM OF VALUE

The Elementary Form (i.e. the simplest expression) of any commodity's value is contained in the commodity's equation, or exchange comparison, with some one other commodity of a different kind. A commodity's value is qualitatively expressed by another commodity's being acceptable in exchange for it ("directly exchangeable with it"); it is quantitatively expressed by the quantity of that other commodity which is acceptable in exchange for it. Such other commodity is an independent expression (i.e. an expression distinct from the useful body of that value which is expressed); and such other commodity's acceptable quantity is the definite expression. Such independent and definite expression of a value is the expressed value's exchange-value. A commodity is, absolutely (i.e. alone or standing by itself), a combination of use-value and value. But it only shows itself as this double-sided thing when put into relation (or comparison) with some other commodity.[1]

What we have now learned of the Elementary Form of Value shows us that the absolute value, the actual social reality inside the commodity, is the reality which causes

to that time in which society is a commodity-producing society." A rather remarkable error, because society had not only already developed the Elementary form of value and passed it out, but society had already developed the Money form of value also, which Aristotle was attempting to analyse, and this money was necessarily the developmental outcome of long ages of commodity production. Aveling may have meant: a society "characterized" by commodity production—which, of course, would be quite correct. But Aveling should rather have said: "long antecedent to that time in which society is *characteristically* or *mainly* a commodity-producing society."

[1] In this paragraph Marx refers to his first introduction of the commodity in "section 1" of this chapter, as a complex of "use-value and exchange-value," and he tells us that this term, "exchange-value," was there wrong. But he adds that it does no harm if we understand that the commodity does not exhibit its double character (of being both use-value and value) until thrown into the value relation (comparison) with another commodity. He explains that this term, "exchange-value," "serves as an abbreviation"; which (since "exchange-value" is really an extended term, and not an abbreviated term), of course, means that it forms an easy and popular introduction, because "exchange-value" is "common parlance" for "value."

the exchange-value, or the value's expression. The opposite of this (viz. the reality's expression causing the reality itself) could not possibly be the fact; but yet the capitalist economists have the delusion that such is the case! The Mercantile economist only gazes upon the commodity's beautiful money-form; and the Free-trader economist only looks at the commodity's plentiful value-form, viz. the "wonderful" quantity of other products obtained in exchange with "free" commerce. As a consequence, these opposite but equally absurd wiseacres have the delusion that value's nature and value's quantity originate in current prices! That "vulgar" economist, McLeod, is a resulting cross-breed between these opposites—he is a successful combination of these opposite forms of similarly deluded wiseacres.

The Elementary Form of a commodity's value is the earliest outward appearance of the commodity's inward contrast, between its use-value and its value. The bodies of the two opposite commodities (the linen and the coat of our equation) outwardly present the two inner but opposite characters (of the linen); the linen presents its own (the linen's) use-value, and the coat presents the linen's value (or stands as the linen's exchange-value).

The Elementary Form of Value is the earliest form under which a labour product appears as a commodity. Labour products are use-values in any social system whatever, but it is only at a definite stage of industrial development that a labour product becomes a commodity; and that stage is reached when the use-value's embodied labour (the value) becomes a reason for the use-value's production. With the development of value-form (past this Elementary stage, and through the subsequent stages) there proceeds, with equal pace, the transformation of the generality of labour products into commodities.

The deficiencies of this Elementary Form of Value (a mere germ, which can only pass into the adult price-form through a series of changes) can be seen at a glance.

The Elementary Form of Value expresses the value of one commodity in terms of (in the body of) one other commodity; but it does not show the commodity's sameness, or

qualitative equality, with all other commodities; nor does it show the commodity's quantitative relation to all other commodities. To the relative value (the linen's), there corresponds but one equivalent commodity (the coat). Thus there is only a single equivalent (the coat) corresponding to only a single value (the linen).

But this Elementary Form of Value easily develops into a higher form. For, whilst the Elementary Form only expresses one value in one equivalent, yet that equivalent may be any other commodity at all. Therefore, as the commodity may be thrown into a value relation with any other commodity, or with all other commodities; so we may thereby obtain a series (of Elementary expressions or equivalents of linen's value) which is only limited by the number of other commodities. And thus the equivalent pole may be extended, by different repetitions, up to any length within this limit.

Subsection "B"

TOTAL OR EXTENDED[1] FORM OF VALUE

(20 yards of linen = 1 coat or = 10 lb. tea or = 40 lb. coffee or = 1 quarter of corn or = 2 ounces of gold or = ½ ton of iron or = etc.)

This Extended Form could be written thus:—

20 yards of linen =
- 1 coat
- or 10 lb. tea
- or 40 lb. coffee
- or 1 quarter of corn
- or 2 ounces of gold
- or ½ ton of iron
- or etc.

[1] In Moore's translation it is called "Expanded Form of Value." In J. B.'s translation it is called "Developed Value-Form." Neither the word "Expanded" nor the word "developed" is suitable. "Expanded" is bad, because of the possible confusion with that "expanded value" which constitutes increased capital (swollen into bigness with surplus-value). "Developed" is bad, because it does not differentiate this value-form from the other value-forms, for they are all more or less "developed." Therefore the word "Extended" is here substituted by me as representing more clearly than any other English word the intended sense of Marx, whilst at the same time keeping clear of possible confusion with the other and more appropriate use of the word "expanded."

Division " 1 "

THE EXTENDED RELATIVE FORM OF VALUE, OR EXTENDED COMPARISON OF VALUE

Here the comparison of linen's value is extended, so that the value is compared seriatim to all other commodities (to the totality of other commodities). Here we see unmistakably that the value is abstract labour, because, in the serial equations of this Extended Form, the weaving labour in linen ranks as the equal of the labour in all other commodities ; or because, as value, the weaving labour is the same as any other social labour.

Here we also see that the magnitude of the value controls the magnitude of that exchange-value which is its expression ; for, whatever be the different quantities of other commodities that stand as the individual equivalents, it is only the one magnitude of linen's value that is thus differently expressed.

Division " 2 "

THE PARTICULAR EQUIVALENT FORMS[1]

Instead of a single equivalent, as in the Elementary Form of Value, we now have a heterogeneous mass of different equivalents, each of which equivalents is posed as a lump of value against the linen. Each of these equivalents is a particular equivalent, i.e. the equivalent of a single or particular commodity (the linen), which is quite the opposite of a general or universal equivalent. And the labour embodied in each equivalent is a concrete[2] or particular kind of labour that independently represents the abstract or general labour embodied in the linen.

[1] Marx is translated as having put this in the singular, viz. as "the Particular Equivalent Form." But as we here have as many "equivalent forms" as there are other kinds of commodities, and as each of all these innumerable equivalents is a "particular equivalent," the singular word "form" is very confusing. Hence the plural character should be recognized in the name.

[2] In the Kerr edition at this point there is a line printed twice over, viz. the second line from the bottom of p. 73.

Division "3"

DEFECTS OF THE EXTENDED FORM OF VALUE

The extended comparison of value (that is, the relative side of the Extended Form of Value) is never complete; it is always open to be further extended by some new comparison with a new sort of commodity. Besides this, the equivalent side has no unity; the equivalent side is a bewildering multitude of different expressions. And, again, with every commodity's value expressed in this Total or Extended Form, there is an interminable series of expressions—each of which expressions is itself an interminable series. Thus the defects of the extended comparison (that is, the relative side of this Extended Form of Value) are repeated on the equivalent side. Since each equivalent is only one in a crowd of equivalents, we have (for this side) nothing but a crowd of fragments. And the concrete or particular labour in any such fragmentary equivalents cannot exhaustively present society's general or abstract labour. Of course, it is true that the general labour of society finds expression in the sum-total of all its particular forms; but there is no unity in such expression, and it is never finalized or complete.

But the Extended expression of value is only the multitude of single or Elementary expressions, as, e.g.,

20 yards of linen = 1 coat,
20 yards of linen = 10 lb. tea,
etc.,

and each of these equations or expressions implies its opposites, viz.,

1 coat = 20 yards of linen,
10 lb. of tea = 20 yards of linen,
and so on.

Not only so; but since linen is exchanged for different commodities, such as coats, tea, iron, gold, coffee, etc., it follows that their owners exchange these things for linen,

and therefore have to express the values of these things in linen. So, if we accordingly reverse the series,

$$20 \text{ yards of linen} = \begin{cases} 1 \text{ coat} \\ \text{or } 10 \text{ lb. of tea} \\ \text{or } 40 \text{ lb. of coffee} \\ \text{or } 1 \text{ quarter of corn} \\ \text{or } 2 \text{ ounces of gold} \\ \text{or } \frac{1}{2} \text{ ton of iron} \\ \text{or etc.,} \end{cases}$$

we reach the next stage of the evolution, and obtain the next higher Form-of-Value :—

Subsection "C"

THE GENERAL FORM OF VALUE

$$\left.\begin{array}{l} 1 \text{ coat} \\ 10 \text{ lb. of tea} \\ 40 \text{ lb. of coffee} \\ 1 \text{ quarter of corn} \\ 2 \text{ ounces of gold} \\ \frac{1}{2} \text{ ton of iron} \\ \text{etc.} \end{array}\right\} \text{each} = 20 \text{ yards of linen.}$$

Division "1"

THE NEW CHARACTER OF THIS VALUE-FORM

Here the equivalent side is again simple for each commodity, because the value of each commodity is expressed in only one equivalent. It is also unified, because, for all commodities, there is only one and the same equivalent, and therefore this altered form is a general form of value.

Both the earlier forms, the Elementary Form of value and the Extended Form of value, are unfit to do more than merely present a commodity's value as being distinct from that commodity's use-value.

Take the Elementary Form. It will express the value of a coat as so much linen, or the value of tea as so much iron. But, in these cases, value is expressed as linen and then as

iron. Evidently, such expressions are only the crude and elementary beginnings; they are only the outcome of casual exchanges.

Take the Extended Form. It more effectively distinguishes a commodity's value from its use-value. But the value is expressed as all sorts of different things, and (to the extent of one item) the value of each commodity is expressed differently to that of any other commodity.[1] The Extended Form of value is the outcome of an habitual exchange of one kind of commodity for all sorts of other commodities.

But this General Form of Value corrects those faults. Here the value of all sorts of commodities[2] is expressed in a single form, and all the commodities have the same simple equivalent in common. Not only is a commodity's value now distinguished from its use-value, but its value is also distinguished from the heterogeneous use-values of all other commodities, and it is made to appear as what is common to them all—their common value. Here, then, for the first time, the commodities effectively come forward as values, and for the first time effectively[3] appear as exchange-values; all commodity values now appear as so much linen.

In the Elementary and the Extended Forms of value a commodity's value was expressed either in one different commodity or in a multitude of different commodities. But there was no co-operation between the various commodities' values in expressing themselves; it was each commodity's concern to find an equivalent for itself; and, instead of any co-operation between such expressing commodity and the

[1] For instance, take the equations for a group of only five commodities, tea, coffee, corn, iron and gold. Their extended value expressions, respectively, as a group, would be :—

Tea = coffee, corn, iron, or gold.
Coffee = tea, corn, iron, or gold.
Corn = tea, coffee, iron, or gold.
Iron = tea, coffee, corn, or gold.
Gold = tea, coffee, corn, or iron.

[2] In the English text of *Capital* it says "the whole world of commodities." But this is confusing; it only means "all sorts of commodities." (And see Appendix A.)

[3] On p. 12 *The Student's Marx* says: "And for the first time commodities appear as exchange-values." This is wrong. The correct sense is: "the first time" they "effectively" appear as exchange-values.

other commodities, such commodity simply used the others as passive equivalents. But this General Form of Value results from the co-operation of all the commodities; here, every commodity (excepting linen), in order to express its value, uses the common convenience, linen. It thus becomes plain that, since value is only a social reality, and can only be adequately expressed in the generality of social relations, its form (or appearance) must be some socially recognized form.

In the General Form of Value, the values of commodities not only appear as qualitatively equal; they also appear as comparable magnitudes. If two different commodities are each equal to 20 yards of linen, they are also equal to each other. Or if 2 lb. of tea be equal to 4 yards of linen, and 2 lb. of coffee be equal to 1 yard of linen, then tea by the pound will be four times the value of coffee.

All the commodities of a given market sphere, constituting the relative side in the General Form of Value, convert the excluded commodity (the linen) into their common equivalent. The values of all these commodities assume the material form of lumps of linen; and the linen therefore becomes acceptable for (" exchangeable with ") all of them. All society's labour, embodied in all sorts of commodities, here assumes the visible and tangible form of linen. Linen becomes the " visible incarnation " of all sorts of human labour; linen becomes the hard " chrysalis " form (the temporary resting form) of all values. The private labour of weaving thus acquires the social character of equivalence with all the other labour of society. The equations, between the labour of innumerable commodities and the body of linen, turn the labour of the linen (weaving) into the manifestation form for the abstract (the undifferentiated) labour of society. Thus the abstract labour of society, or value, is both negatively and positively presented; negatively by withdrawal from the concrete forms of labour which it is not, and positively by all being presented in the same character, viz. as the embodied expenditure of society's labour-power.

The linen, on the equivalent side of the General Form of value (which linen represents all the other commodities as pieces of itself, or as being all similar masses of embodied labour), shows itself to be a summary of all the other com-

modities. The General equivalent thus demonstrates beyond question that the special social character of the labour in commodities is that of being human labour.

Division " 2 "

MUTUAL DEVELOPMENT OF THE VALUE-FORM'S TWO SIDES, THE RELATIVE SIDE AND THE EQUIVALENT SIDE

In the development of the value-form, the stage reached by its relative side corresponds to the stage reached by its equivalent side, although the development on this equivalent side is only the result and expression of development on the relative side.

In the Elementary Form of value, the single " relative " (comparing) commodity converts one other commodity into a single " equivalent." In the Extended Form of value, the single relative commodity converts all other commodities into its different particular equivalents. And in the General Form of value, all the commodities but one, acting as a co-operative mass, convert the excluded commodity into their common [1] or General equivalent.

The opposition in the Form of value, between its relative side and its equivalent side, develops along with the Form itself.

In the Elementary Form of value the opposition is already contained, but the opposition is only embryonic and crude. The two single commodities, the linen and the coat, could change places with each other (as respectively the relative and the equivalent) with such little show of the mutual exclusiveness, belonging to the separate functions, that this functional opposition is not so easy to grasp.

In the Extended Form of value, only one commodity can fully extend its value expression at one time ; and then the value expression can only be thus extended by all the other commodities being its different equivalents. But the opposition between the relative side and the equivalent side is

[1] Owing to the premature introduction of the word " universal," there is confusion between this general equivalent and the money equivalent. (See Appendix A.)

so definite in the Extended Form of value that we cannot reverse the Extended equation, as we could the Elementary equation, without both altering the character of this Extended Form and converting it into the General Form of value.

In the General Form of value, the opposition between the relative side and the equivalent side is still more pronounced. The whole market sphere of general commodities are " relative," or in the position of comparison, only by the exclusion of all commodities but one from the equivalent position. On the other hand, the commodity on the equivalent side has the character of direct acceptability for (" exchangeability with ") all other commodities, only because these others are all excluded from the equivalent side.

In the General Form of value, owing to the same opposition, the equivalent commodity is also excluded from the relative side. In fact, the opposition is here so glaring that it could not be missed. The General equivalent could not be mixed up with the generality of commodities, as all the equivalents were in the Extended Form of value, for this equivalent is alone ; and besides, it could not be such equivalent and yet appear on the relative side. Such an expression as " 20 yards of linen=20 yards of linen " is not a value expression ; it is only equal to saying : " the character and size of a commodity=the character and size of a commodity," which is merely the dry repetition of a nothing-definite. In order to adequately express the value of the " General equivalent," it would be necessary to go back to that earlier form, the Extended Form of value, where its value would find exhaustive expression only in the never-ending multitude of other commodities.

Division " 3 "

PASSAGE FROM THE GENERAL FORM OF VALUE TO THE MONEY FORM OF VALUE

The commodity functioning on the equivalent side of the General Form of value is a form of common value. Therefore, the function of this equivalent side can be assumed by any commodity. But if a commodity has assumed the

function of general equivalent, it will have done so only by all other commodities having excluded it from amongst themselves as their equivalent. When this exclusion finally settles upon one commodity, then the whole world of other commodities consistently settle down on the relative side of the value Form and become socially established in that position.

The commodity whose body is thus universally excluded, as the socially recognized universal equivalent, becomes the official commodity that serves as money. Upon this commodity falls the function, as its monopoly, to play the rôle of universal equivalent amongst the world of commodities. Of all those commodities which constituted the innumerable equivalents of the linen in the Extended Form of value, and which expressed their values by linen in the General Form of value, only one has attained the prominent position of universal equivalent—and that one is gold. So if, accordingly, we now alter the General Form of value by supplanting the General equivalent, linen, with the universal equivalent, gold, we obtain the highest Form of Value, viz. the Money Form.

Subsection "D"

THE MONEY FORM OF VALUE

20 yards of linen 1 coat 10 lb. of tea 40 lb. of coffee 1 quarter of corn ½ ton of iron etc.	each = 2 ounces of gold

Whilst deep and important changes occurred in the passage from the Elementary Form of value to the Extended Form, and from this latter to the General Form, the only change here, in passing to the Money Form of value, consists in gold's having assumed the function of "universal equivalent," in place of the linen or other "General equivalents."

Gold has become money, for expressing the values of com-

modities, only because it was itself previously one of those commodities. Just the same as any other commodity, the gold could function as a single " Elementary equivalent " in casual exchanges, or it could function along with all the other commodities (as one of the mass of particular equivalents) in the Extended Form of value. By degrees the gold commodity came to function more and more as a General equivalent. When gold becomes pre-eminently the General equivalent, or when it has ousted the other General equivalents and itself monopolizes the equivalent position in the Form of value for the generality of commodities, then the gold commodity becomes the " Universal Equivalent," and becomes the Money-commodity, and then the General Form of value becomes converted into the Money Form of value.

The simple Elementary expression of an ordinary commodity's value in the body of the money-commodity (gold) is the price-form of that ordinary commodity.

The trouble of understanding the Money Form of value consists in understanding the " universal-equivalent " side of this Form of value, and, of course, also in understanding the " general-equivalent " side of the preceding General Form of value. But this " universal-equivalent " side or the general-equivalent side is the evolutionary opposite of that host of particular equivalents on the equivalent side of the Extended form of value. And that host of particular equivalents were simply a mass of simple equivalents, each being such as the single equivalent on the equivalent side of the Elementary Form of value. Therefore the simple and single equivalent in the Elementary Form of value is the germ of the Money Form of a commodity's value.

" Section 4 "

The Fetishism of Commodities, and the Secret Thereof

At first sight a commodity seems to be a very simple affair ; but, on analysing it, we find it to be something very different. Regarded as a use-value, there is nothing but its perfectly natural form, and there is no mystery ; as such use-

value, it is plainly the joint product of labour and Dame Nature; it is a natural product modified, by human labour, to satisfy some human requirement. The wood of wild forests is a natural product, and it remains such natural product even when, by labour, it is made up into a wooden article. But when that wooden article launches forth as a commodity, then it becomes a something more than a merely natural object; it retains its natural reality, it is true, but at the same time it acquires a non-natural reality (value)—which non-natural reality provides the human understanding with more magic and mystery than ever did any conjurer.

Therefore the mystery of the commodity does not come from its use-value. Neither does it come from either of the two factors of its value. For, in the first place (regarding the qualitative factor), however different be the numerous kinds of human labour, it is quite clear that they are necessarily human labour, and that they have the character of being expenditures of human power.[1] In the second place (regarding the quantitative factor), there is clearly a great difference between the character of being human labour, and the quantity of that human labour; it is perfectly plain that the quantity of labour is a consideration quite distinct from the quality or character of it. Moreover, there is no mystery about the necessary labour-time of production having been always more or less a matter of importance. And then, again, that indispensable condition for the operation of these determining factors of value (viz. a social form of labour, a social division of labour, or the vogue of different persons producing for each other) is also very easy to understand.

How, then, do we get this labour-product mystery when the product has the form of a commodity? Evidently from the commodity's form itself—which form means the com-

[1] In the text (p. 42, S.S. ed.) it says: "expenditure of human brain, nerves, muscles, etc." This is not quite correct, because these words mean that those items of human organic matter are transformed into the motion of labour, which idea was a slight error of thought on Marx's part. It is true that, in a sense, labour does entail an expenditure of those parts of the human body, but such expenditure only means their dissipation or dispersal as such parts; it could not possibly mean their translation, as matter, into motion or labour, i.e. it could not be true that matter is converted into motion. We can tell that Marx had this little wrong notion by what he says in other places, notably on p. 536 (S.S. ed.), where he wrongly speaks of "transformation of organized bodily matter into motion."

modity's condition of being a complex of use-value and value. Firstly, the equality of one kind of labour with another kind of labour is not expressed as such equality ; it is only expressed as another kind of equality, viz. the equality of different commodities in equally being values (as the value in fried fish, which is equal to the value in gold or diamonds). Secondly, the quantity of embodied labour-time in commodities is not expressed as such quantity ; it is only expressed as another quantity, viz. as a quantity of the commodities' value. Again, the mutual relations of the producers under the social division of labour are not expressed as such relations ; they are expressed as relations between the marketed respective-products of these producers.

The mystery of the commodity, then, is this : that the relations between the persons who produce for each other in society are disguised and presented as relations between their respective different products ; the relations of the labour [1] of individuals to the total labour of society are presented as the relations of something else, viz. as the value relations of different commodities to a universal equivalent. Hence the commodity is a complex of natural material qualities and non-natural non-material qualities. Similarly, a man, whose optic nerve carries the picture of a galloping horse to his mind, only sees the active objective horse outside ; he does not see his own active subjective nerve inside himself. But in the commodity, the mispresentation goes further than this perfectly natural mentality : the value relations of a commodity have no physical or material connection with the commodity at all ; these value relations are merely transformed and transferred human relations, projected by the human mind into the useful products. To find a parallel to this commodity mystery we must go to the religious world ; there we find the creations of imagination provided with life and with relationships to each other and to humanity. Just as it is there with man's brain products, so it is here with the

[1] Marx has it as "the relation of the producers to the sum total of their own labour," etc. This is not quite correct. It should be "the relation of the individual LABOURS of producers to the sum total of their labour," etc. However, it is probably nothing more than a slip, for on the next page (p. 44, S.S. ed.) Marx correctly says : "the labour of the individual asserts itself as a part of the labour of society," etc.

products of his hands ; when the labour-product becomes a commodity, it is provided with a mysterious inside—a life, soul,[1] or value—and all the accompanying relationships. This is what Marx calls the " Fetishism of Commodities."

As we have now seen, the origin of this "Fetishism of Commodities " is " the peculiar social character of the labour that produces them " ; that is, the peculiar fashion in which the labour of industrially independent individuals habitually produces useful things for other individuals.

Generally, the useful products are commodities ; only by being the output of separate, independently-working individuals or individual groups, the totality of whose labour constitutes the labour of society. Since these individuals do not meet until they exchange their products, the secret (of their labour being component parts of society's labour) is only disclosed by the exchange-process, which exchange-process establishes direct relations between the products, as also indirect relations between the independently-producing individuals. The so-established indirect relations are certain property relations (" between persons ") ; and the so-established direct relations are the comparisons, and the condition of being proportional parts of society's embodied labour for mutual comparison (" between things ").[2]

It is by this exchange that commodities become established as homogeneous (or all the same) values, despite their heterogeneous (or all different) forms ; and this distinction between their value sameness and their useful differences immediately becomes important when the things are produced as values for the process of exchange. For then, at once, the labour embodied in them takes upon itself the two characters.

[1] Not only is the commodity's body thus provided with a life or soul, but afterwards, when this very same value becomes capital, the fetish even proceeds further. The fetish then proceeds so far as to provide this life or soul, this value, with the power of breeding ; this capital-value is then gravely supposed to breed and bring forth more value !

[2] In Moore's translation (S.S. ed.) this paragraph and the two following paragraphs appear as one long paragraph, but in J. B.'s translation it appears as three paragraphs. The latter presentation seems to be the better, exhibiting, as it does, three distinct and separated subjects (viz. first, the establishment of exchange relations ; second, the establishment of distinction between the labour of use-value and the labour of value ; and third, the appearance of this distinction to the producing individual). Hence the adoption of the latter arrangement here.

In one character the labour must produce a something useful to satisfy a need of somebody ; in the other character, in order that the individual's own many needs may be satisfied, the labour must rank as a valid part of society's labour, and must manifest itself as being equal to all the other sorts of labour, and therefore as being exchangeable with them. But this equalizing of different sorts of labour can only be by the neglect of their differences, and by regarding them all simply as homogeneous human labour or simply as costs of human energy.

The double social character of the individual's labour is only seen by him in disguised forms, according to the exchanges of practical everyday life. What he sees is, on the one hand, that his product must be not only useful, but useful to other people ; and, on the other hand, that *all* sorts of products have *one* sort of attribute, i.e. their common value.[1] Therefore, when we equate our different products to each other as values, this is not because we have previously seen them to be the embodiments of homogeneous human labour ; the truth is only this : that, because we have equated them, it logically follows therefrom that we must have thereby reduced them to that common sameness. When we do this, we do not notice it, but we do it all the same. And so the value does not label itself to tell us that it is abstract human labour ; it only transforms the products into these mysterious commodities. Then, some time later, the human race tries to solve the mystery—which mystery, too, is humanity's own social product ; for turning the useful products into values is just as much a social achievement as is the production of a language.[2]

The discovery in modern times of the labour constitution of value marks an advance made by the human mind ; but yet that discovery does not dissipate the established value-character of the products. The equalization of different kinds of human labour under the fantastic form of the different commodities' value proceeds as ever ; and the objective and material reality of this value seems as true as ever it did, despite the scientific discovery to the contrary. In

[1] Here is the end of the paragraph near the top of p. 45 (S.S. ed.).
[2] Here we cut the long paragraph on p. 45 (S.S. ed.) into two parts.

fact, that fetish the commodity (or the complex of use-value and value) still remains to us ; just as the atmosphere also remains to us, despite the fact that we now know it to be a complex or mixture of different gases.

The matter of first importance to persons exchanging their products is, What amounts of other products can they obtain in exchange for their own ? When these amounts, or the exchangeable proportions of commodities, have become established by custom, they appear to be a natural phenomenon, and the value of commodities appears to be just as natural as is the weight of them.[1]

When the "Fetishism of Commodities" has thus provided the products with values, these values can only substantiate themselves by proportionately expressing themselves mutually in each other's bodies. Without permission from the owners, these values are for ever changing their proportional expressions ; and thus the social actions of the owners appear to be the actions of these things (as values) dominating the owners instead of being dominated by them. The scientific perception, that this is not true, requires a fully developed commodity production ; when, by means of the hard experience in crises, it is perceived that the different labours of the different individuals are constantly being reduced to the proportional magnitudes in which society requires them. But how is this reduction effected ? Simply by the values (the labour-time socially necessary for production) emphatically expressing themselves in exchanges, and expressing themselves differently at different times regardless of the wills or intentions of the exchangers. The secret, of value's magnitude being so much labour-time, therefore hides behind the changes of relative values. The scientific discovery that value's magnitude is no chance affair, that on the contrary it is determined by labour-time, does not do away with the absurd mode of determination in exchange ; for, in exchange, the magnitude of value is still determined as a quantitative comparison, or proportion, between the different products.

Man's method of investigating his environment is the

[1] Here we cut the long paragraph of p. 46 (S.S. ed.) into two parts.

direct opposite of his environment's method of historic development—viz. backwards—he proceeding from the effects in hand, back to their causes. The General equivalent and the Money equivalent, which are necessary for commodity circulation, are already developed and firmly established before man seeks, " not their historical character," for he considers them unchangeable, but their present character. Therefore price-analysing led to the discernment of value's magnitude, and the expression of commodities in money led to the commodities being recognized as " values." But this fully developed value-form, money, simply hides the fact of private labour being part of society's labour, and simply hides the social connections of the producing individual. If it be stated that coats and boots are compared to linen because linen is the embodiment of society's labour, the absurdity will be obvious. Yet when men seriously compare coats and boots with gold (as the universal equivalent, or as the visible embodiment of society's labour), they do but express the relationship of their labour to society's labour in the same absurd fetish form.

The economic categories of capitalism consist of such fetish forms. They are thought-forms clothed in, or embodied in, material objects ; and they express, thus quaintly, the real social relations which obtain only in a peculiar social development, viz. in a commodity-producing society. Therefore the mystery, the magic, and the fetishism, of commodities disappear immediately, the moment we consider any wealth production which is not the production of commodities.

Let us take a peep at Robinson Crusoe on his lonely island. Robinson must labour and produce different things in order to live. Although his labours are of many different kinds, still he knows that they are all his own labour and, consequently, that they are merely different human ways of working. His natural needs compel him to apportion his time discriminately between the different tasks before him ; and, having British business method, he keeps account of the labour-time which his various possessions have cost him. Now, Crusoe's useful products have all the basis upon which that superstition, value, is determined, viz. different kinds of useful labour, and yet homogeneous labour because all from

the same Crusoe, and definite quantities of that labour as measured by the various costs in labour-time ; that is to say, in all his products the labour has the character of being his human labour or expenditure of his human energy, despite the products being of many different kinds ; and all these different products contain definite quantities of that human labour. But yet the relations or connections between Crusoe and his products are not therein disguised ; these relations are so simple as to not contain nor cause the slightest mystery. And his bread and goats'-flesh are not submitted to the absurdity of being called equivalents ; neither of each other, nor yet of his goat-skin trousers and blankets, nor of anything else. There are not here any disguised human relationships ; there is no " Fetishism of Commodities."

Let us now move into society, viz. feudal society. Here there is an absence of the independent producers ; the fabric of the society is dependence, as the direct relationships, between the serf and the lord or the layman and priest. These relations are perfectly plain and free from disguise, as also is the character of both the labour and the labour products. There is no subtle relationship operating between one serf's labour and another serf's labour. Feudal society is based upon direct and simple relationships ; such as those of the subject serf whose labour produces useful things, directly for his own use or else directly for the use of his lord and master. Therefore there is no occasion for such labour, or for such labour products, to pose as some other labour or as some other products ; there is no occasion for bacon to look like bread or vegetables (as happens in the exchange process), nor for ploughing labour to take on the fantastic appearance of butchering labour ; in other words, there is no need for any disguise or " Fetishism of Commodities." The products which have to be paid (as tithes) to the priest have only their own natural useful forms, and are even more easily understood than the priest's blessing. Labour-time, too, is just as definite in feudal society as in a society of commodity producers ; but the serf only understands it naturally (it only has the natural form of 20 days for himself or 20 days for his lord) ; 20 days of his labour does not assume the ridiculous form of cattle which he has never seen, nor of any

other General equivalent. In short, in the fabric of feudal society the " Fetishism of Commodities " is not to be seen.

Let us now take a different society, in which labour is directly social, or associated and mutual, and yet in which there is not a trace of the " Fetishism of Commodities." The European peasant family will serve as an example. Such a family or social group produces, for its own use, " corn, cattle, yarn, linen, and clothing." All these different articles are the products of the family ; but they are not exchanged for each other between the respective members of the family—they are not " commodities." The different industrial functions inside this family represent a social division of labour inside the family ; just as, in a commodity-producing community, the formation of different industries represents the division of labour in general society. The peasant family also regulates the labour-time of its members according to its needs and experience. The labour-power of each member of the peasant family operates as a distinct part of the family's totality of labour-power. Here again, then, we have all the essential elements of that fantastic social reality, value, viz. homogeneous labour in heterogeneous products, and definite quantities of that labour ; but yet there is no sign of any mutual " value " in the products—there is therefore no trace of the " Fetishism of Commodities."

Finally, let us imagine a form of society, viz. an emancipated community, producing its needs, with commonly owned means of production, and with a conscious application of all its individual labour-powers (as a totality of combined labour-power or organized mass). Here we have an industrial position similar to that of Robinson Crusoe's, excepting that it is social instead of solitary. The total product of such a society would be a social product. Part of this total product would be fresh means of production ; and so, of course, it would remain in, or would re-enter, the production process. The other part of the total product would be the means of individual consumption or means of subsistence, which would have to be distributed in some way to the society's individuals. Suppose, then, the individual's share of this distributed wealth to depend upon his contributed labour-time. In such case the society's labour-time would play two parts as a quantita-

tive measure. It would play a social part by allotting proportional divisions of society's available labour-power to the different needs ; and, for the individual, it would indicate the quantity of labour due from him to the production process, and (as already anticipated) would also measure out his share of the distributed wealth. In such a society the relations or connections of individuals, both with their labour and with their products, would be as simple as in the case of Robinson Crusoe. Therefore their labour would not be disguised as a " value " property in their products ; and the quantities of their labour would not be disguised, nor mispresented, as quantities of gold or other products ; and, consequently, in such a society, we could not find any phantasmagoria such as the " Fetishism of Commodities."

Man's religion reflects his daily life. All the abstracted and aggregated characteristics of mankind (or the qualities and attributes of all men) are mentally personified in the Christian God-head. The Christian God ideally personifies abstract man. And when man's daily life is such that human communities are based upon commodity production, where the individual's labour is reduced to abstract labour (or to human labour separated from all its differences, as in money), the religion of abstract-man worship, or Christianity, is its fitting reflex. In ancient modes of production, or in ancient social systems, the occurrence of commodities and commodity-producers is a rare and unimportant phenomenon—a phenomenon, however, which becomes more frequent, and increases in importance, as these ancient systems approach their downfall. (In ancient times trading communities existed only at intervals, or only in the spaces between other communities.) In comparison with capitalist society, the ancient social systems were extremely simple and easy to understand. But they were based upon either a low degree of productiveness, as in tribal society, or else upon the menial conditions of direct servitude. Thus the relations or connections, mutually between men or between man and Nature, were narrow ; that is to say that, in those ancient systems, individual man had no broad connections with great masses of fellow-men, and had no connections with any broad areas of the earth. This narrowness of their daily life was reflected

in their Nature-worship, ancestor-worship, etc. Only when man, in his daily life, shall have no relations or connections but what are perfectly plain and reasonable—only then will the human world's religious reflection disappear.

The basis of social life is the society's wealth production. Social life will lose its mystery and its " Fetishism of Commodities " only when individual man is economically free in society and when, collectively, he carries on social production upon a rational and pre-conceived plan ; but this means the end of a " long and painful " development.

Classic economy discovered labour and labour-time as the factors of value, although inconclusively, but it never once probed for the connection between labour and value, nor between labour-time and value magnitude.[1] Those fetish forms,[2] commodities, which clearly belong to a human period when production is man's master (instead of being by him mastered), appear to capitalist minds as natural and everlasting. Therefore to these " master " minds other systems of production are only artificial !

How far the " Fetishism of Commodities " misleads some " economists " may be seen, in one way, by their supposing Nature partly to produce value. But since value is the social expression of embodied-labour in products, Nature is as innocent of it as she is of the exchanges that are made.[3]

[1] In a footnote at this point (p. 52, S.S. ed.), Marx has an expression that seems to need explanation. He says : " It is one of the chief failings of classical economy that it has never succeeded . . . in discovering that form under which value becomes exchange-value." And, the reader may ask, What form is that ? Well, it is simply the useful form of another commodity, e.g. the value of the linen becomes exchange-value under the useful form of coat. It may be as well also to explain here something that was quite unmistakable to Marx and that yet may be easily missed by the reader. Marx says that political economy never asked why labour is represented by value, nor why labour-time is represented by the magnitude of that value ; but he does not here put in the why and wherefore. The reason why the labour in a commodity is represented by the value of it is that the labour is part of society's mass of labour. But a mass and the measure of it (i.e. a mass and a mass's measure) are two separate considerations. And so the reason why the labour-time in the commodity is represented by the commodity's value magnitude is : that this labour-time constitutes an aliquot part of that mass's measure, i.e. constitutes a complete part of society's totality of labour-time.

[2] The text has it as " these formulæ," thus entirely missing the simple meaning of Marx. J. B.'s translation, however, has it correctly as " those forms."

[3] In this paragraph the wrong term, " exchange-value," appears twice instead of the correct term, " value."

The kind of product characteristic of modern society, viz. the commodity, is so general and so familiar to everybody that it seems a comparatively simple thing to understand.[1] When we come to more developed forms, however, the seeming simplicity disappears. [The dazzling money form of " value " seems to completely dazzle, and the " fetish " becomes thereby aggravated.] Look at money in the eyes of the Mercantilists. There the aggravated " Fetish " is very marked ; for what we now know to be homogeneous human labour (embodied in precious metals as the common social connection between producers) is (by the Mercantilist) translated into some strange and uncanny material property of these natural substances (metals). Then look at the still more developed social reality, " capital," in the eyes of the " vulgar " economist. To him it is simply contravening Nature to regard means of production as anything but capital ; and how long is it since he fell out with landlords and dropped the idea that tribute (rent) grows out of the ground like the bean-stalk ?

But now, finally, let us take an example of the aggravated " Fetish." If commodities could only talk (as money is popularly supposed to do), they would say : Our use-values may concern man ; they do not belong to us as objects. That which belongs to us as material objects is our value ; this is proved by the common realization of our values all day in exchange. Our bodies are nothing but the exchange-values of each other.[2] Let us notice, with Marx, what the

[1] Neither in Moore's translation nor in J. B.'s translation is there any applicable sense here, although the latter is nearer to the required sense than is the former—which required sense, however, could be deduced only from the general context.

[2] Such is the aggravated " Fetish " exactly ; for it not only supposes into commodities a material (!) properly called " value," but it also supposes the useful and really material properties away from them ! It supposes into commodities a kind of strength (which is a non-natural reality), as though this imagined strength were a natural material reality or property ; and what is perhaps even more grotesque, it supposes the natural useful material properties or qualities away from their natural material bodies ! It is equal to saying this : that having useful material qualities is nothing to do with the material objects ; that use-values are not the material qualities of commodities' bodies (for instance, that the sweetness of the commodity, sugar, has no connection with that commodity's natural material body !) ; but that " value " is " the " material quality of commodities (which " value," through Marx's teaching, we now know to be the non-natural, non-material and spooky fetish). The " vulgar " economist has this fetish very badly ; and it makes him speak as though he were " beside himself " or were living in a trance.

misled and fetish-bound "vulgar" economists gravely tell us: "Value" (by which the "vulgar" economist means "exchange-value") "is a property of things; riches" (meaning use-values), "of man."[1] "Value, in this sense, necessarily implies exchanges; riches do not."[2] "Riches" (use-values) "are the attribute of men, value is the attribute of commodities."[3] "A man or a community is rich, a pearl or diamond is valuable."[4] "A pearl or diamond is valuable" as a natural object.[5] Thus we see, then, that the *bourgeois* economist is himself simply steeped in the "Fetishism of Commodities." To him the ghostly "value" inwardness, projected by the human mind into products, is a natural material reality, and constitutes a natural part of the commodities as material objects; whilst the really natural material use-values of them are (to him) independent of the commodities' natural material bodies! The *bourgeois* economist is confirmed in this extremely absurd fetish by the fact that use-values are realized independently of exchange, whilst value can only be realized where the commodities prove themselves, viz. in exchange. This "Fetishism" places the "vulgar" economist on a level with Shakespeare's Dogberry, who understands things in the direct opposite of their truth.

[1] Which is equal to saying that gold is a property or essence of linen, and that use-values are properties or essences of man!

[2] Which is equal to saying that the cause implies the effect, and that the effects do not imply the cause! Whilst the two facts are always, first, that the effect (exchange of things) always implies the cause (the common "value"); and, secondly, that the effect (possession of useful things from every part of the world ["riches"] in place of the producer's "one" product) necessarily does imply the cause (the exchanges which must have taken place).

[3] Which is equal to saying that sweetness is the property or essence of men; and that what we now know to be the non-material soul, "value," projected by the mind into commodities, is the property or essence of the sugar!

[4] Which is like saying that men have the usefulness in them, and that the material pearl or diamond is naturally gifted with what we know to be a merely social and psychological phenomenon, "value"!

[5] Which is equivalent to saying that "value" (which we know is merely a social and mental reality) is a natural and material quality naturally inhabiting the pearls and diamonds! Surely there is here enough of the "Fetishism" to fill an African forest, besides enough resulting stupidity and contradiction of common knowledge to fill a new book on logic!

CHAPTER II

(SUMMARY)

THE PROCESS OF EXCHANGE

In the process of exchange there are necessary, not only the commodities which are to be exchanged, but also the commodity owners; and these commodity owners must mutually recognize the rights of private proprietors for each other, and they must only give and take each other's commodities according to mutual consent and agreement.

Commodities are of no direct natural use to their owners, being to them only non-use-values as natural objects. They are directly useful, as use-values, only to others; the only direct use-value to the owners is the non-natural use-value of being depositories of value.[1] They are use-values for consumption only to their non-owners. Therefore the commodities have to change hands, and this change of hands constitutes their exchange.

The process of exchange proves the commodity. It proves the commodity to be really a socially useful product, or a product useful to others. It proves the labour embodied in the commodity to be really value—that is, really social labour, and not wasted labour.

Exchange is a private transaction, and it is also a social transaction. The commodity owner seeks the satisfaction of his own private wants, and he also seeks to realize his value —his proportion of society's embodied labour.

To every owner his commodity is the universal equivalent of all other commodities; but such private equivalent is of no use as a social equivalent. Consequently, the development of exchange brings about the social exclusion of one special

[1] In Marx's text, here, the phrase wrongly reads: "depository of exchange-value." This is an overlooked remnant of Marx's earlier, immature and finally abandoned terminology. (See Appendix B.)

commodity in which all the other commodities represent their values.

With the further development of exchange, the commodity's internal contrast between use-value and value develops; and there develops, also, the commercial necessity of externally expressing this internal contrast. Consequently, an independent form of value is instituted, whereby commodities are comparable with each other as values; and this leads, finally, to the establishment of money.

The process of exchange first occurs on the boundaries of communities, because in those early times that individual private ownership, which is now implied by the mutual exchange of products, did not exist. In primitive society such exclusive and independent ownership only exists for the separate complete communities.

In such early times there is only barter, and there is not any value-form apart from the two commodities exchanged. Subsequently, when exchange develops and exchanges take place with greater variety and to a greater extent, it always becomes habitual to compare the values [1] of commodities to some one special article which is readily exchangeable with them. What special article will at first thus become the social General equivalent is quite a matter of chance. It will be first this article and then that, and the area over which such General equivalent will be operative will be confined within comparatively narrow limits.

Finally, with the development of exchange over larger areas, and the consequent broadening [2] of the value character (so that the value, which is abstract labour, becomes more and more abstract; or, to put it in another way, the general or abstract labour of society becomes the general or abstract labour of a bigger society)—with all this, the character of

[1] In this paragraph the wrong term "exchange-value" appears instead of the correct term "value." The same error occurs on the twelfth line of p. 105 (fifteenth line of p. 145 in Kerr's edition), and again on the eleventh line of p. 106 (twelfth line of p. 146 in Kerr's). (See Appendix B.)

[2] In the text Marx is made to say: "the value of commodities more and more expands. . . ." This is very bad, because value that "expands" is capital, and capital is what Marx very positively does NOT mean. It is true that the words which follow the above words just quoted show Marx's meaning clearly enough; but all the same this word "expands," owing to its subsequent special and admirable application to the function of capital, is totally unsuited to the very different sense here in Chapter II.

social General equivalent proportionately attaches itself more and more to suitable materials. These materials are found to be the precious metals, which then consequently come to function as money.

The precious metals are the best materials for money, because every particle is exactly like every other particle, and because they are easily divided and sub-divided, and even re-united, so as to easily represent any possible degree of value.

Besides its use-value as a commodity, gold now acquires also the formal use-value of being money.

The exchange or sale of a commodity does not give the commodity its value, but it does give the commodity its particular exchange-value or value-form. By confusing value and exchange-value some writers considered the value of money to be imaginary; and money symbols caused the money itself wrongly to be also considered a mere symbol.

But, of course, gold is a commodity; and the value of gold is the labour embodied in its production on the gold-fields. The proof of this labour being not wasted, and of its therefore ranking as value, is its barter on the gold-field for all sorts of other labour products.

The fact that the value of the money itself is not expressed in its character as equivalent, the further fact that money seems to be naturally the embodiment of value, and that it therefore seems to represent automatically the values of commodities—these facts lead to the magic of money. Whilst it seems that commodities express their value in gold because it is money, the simple truth is that the gold is money only because the commodities express their values in it.

CHAPTER III

(SUMMARY)

MONEY, OR THE CIRCULATION OF COMMODITIES

"SECTION 1"

The Measure of Values

(As we saw in Chapter I, at the end of "section 3," the ousting of all other General equivalents by the social recognition of gold, as the Universal equivalent, results in the gold commodity becoming money.) Here, for simplicity, gold is assumed to be the only commodity that is money.

The first function of money is to be the "measure of value" and to translate hours of labour into quantities of gold.

Commodities were commensurable, by means of their embodied labour-time, before the advent of money. But to-day these quantities of embodied labour-time only express themselves as quantities of gold.

Gold now enables all sorts of commodities to express their values, and to compare their values, in it (gold) as the one material. But as to gold's own value, this can only be expressed in "Extended" form by equivalent quantities of all other commodities.

Like the "form of value" generally, the money form of a commodity is quite distinct from the commodity's bodily form. It is therefore a purely mental or ideal form, and imaginary money is what serves to manifest value. But whilst imaginary money expresses, or manifests, or measures

value, the price (which is the quantity of the money thus expressing a value) depends upon the kind of metal that is money.

If two metals, such as silver and gold, function together as measures of value, the disturbances of the ratio between them demonstrate the impossibility of any real standard on a two-metal basis.

On commodities habitually presenting themselves as quantities of the one substance, gold, the need becomes felt for a " standard of price." Such a standard of price is then adopted from the pre-existing standard of weight, as, for example, the pound weight, which became a " standard of price " in Roman times, and subsequently developed into the modern English pound sterling.

As the measure of value, and as the standard of price, money is different and has different functions. As measure of value, it is labour-time converted into gold ; as the standard of price, it is a fixed weight of metal. As measure of value, it converts labour-time into gold ; and as standard of price, it measures that gold.

Variations in the value of gold do not interfere with its function as the standard of price, for this function only amounts to measuring the weights of different quantities of gold.

Neither do variations in the value of gold interfere with its functioning as the measure of value ; for the important feature of a measure of value is that it be of one consistency throughout, that every particle of the substance be just of the same character as every other particle. If its own value vary, the expressed values of different commodities will be the same relatively, as previously, only they will be respectively and totally expressed in more or less gold

In all the " forms of value," including the Money form, we calculate the value of one commodity, in the use-value of another commodity, by assuming that this other use-value costs a certain amount of labour.

The fluctuations of prices generally are subject to the same laws of relative-value variation as were set forth in sub-

division "*b*" of Chapter I.[1] A general rise of prices may mean either a general rise of commodities' values with gold's value remaining constant, or a fall in gold's value with the values of commodities remaining constant. A general fall in prices may mean either a general fall of commodities' values with gold's value constant, or a rise of gold's value with commodities' values constant. Therefore variations in gold value do not necessarily entail proportional variations of prices; such proportionally altered prices could only happen with commodities of constant value. (It is, of course, assumed that price is equal to the value, and truly represents it.)

The weights of money gradually diverge from the original weights of money, as indicated by money's weight names, the chief reasons being the early introduction of foreign coins, the superseding of low-value metals (by higher-value metals, as the standard units) with the increase of wealth, and the debasing of the coinage. So that, of the original weights of money, only the names thereof now remain.

In the end the standards of money are regulated by legal statutes. But, both before and after such legal regulation, the standard unit is a definite weight of metal—which definite weight of metal is divided and subdivided into aliquot parts with money names, according to local requirements.

And so it is that, instead of saying a thing is worth an ounce of gold, we now say it is worth £3 17s. 10½d. And thus the money comes to function as "money of account."

Under their money names commodities lose every trace of their value relation; besides which, the money names are ambiguous, expressing value on the one hand, as well as expressing divisions of the standard unit of price on the other hand. Yet, for all that, the values of commodities must assume the money form in order to appear independently of the commodities.

[1] The gist of this first sentence is here transferred from the position of the last sentence in Marx's preceding paragraph. It properly belongs to this following paragraph, as here set down.

Another ambiguity is perhaps even more confusing, viz. that the price which indicates a commodity's quantity of value also indicates the commodity's ratio of exchange with money ; whilst at the same time the indicator of the exchange ratio is not necessarily the indicator of the quantity of value. Under certain conditions, the realized price may be either too big or too small to really represent the value ; but yet the price is the only form in which the value may appear, no matter whether it be too big or too little or just right.

The magnitude of a commodity's value is the quantity of society's labour necessarily embodied in it. Under the price form, this definite magnitude is translated into an accidental exchange ratio which may really represent the value, or, on the other hand, may represent the difference between the value and the gold which, at any moment, the value will exchange for. And so the value of a commodity possibly disagreeing with its price is perfectly natural to the price-form.

Not only so, but a price may exist where there is no value. Although money is money only through having expressed value, still, as in the price of a conscience, the money may really cease to express value, even while pretending to so express ; simply because there are prices where there is no value.

Finally, price expresses value by declaring that the corresponding gold is directly exchangeable with it. But it does not follow from this that the commodity is directly exchangeable with (acceptable for) the gold. And so, in order to become effectively exchangeable, the commodity is compelled to be converted from imaginary gold into real gold.

Therefore the price, which implies the commodity's exchangeability, implies also that the commodity must be exchanged to establish itself. On the other hand, money is already established, for it is only because of its previous establishment that the money may function as an ideal measure of value. Thus, behind the imaginary gold or the ideal measure of value " there lurks the hard cash."

"SECTION 2"

The Medium of Circulation[1]

SUBSECTION "*a*"

THE METAMORPHOSIS OF COMMODITIES

C—M—C

The development of money does not destroy the contradictions in commodities (as, e.g., that between use-value and non-use-value, or that between use-value and value), but it reconciles them.

By circulation, the non-useful use-values, or commodities, are converted into pure use-values. In other words, the commodity drops its non-useful form by being metamorphosed into something that is useful to the owner

Owing to general ignorance about value, and the intervention of money, this metamorphosis is not generally understood. When the commodity is temporarily turned into money, there is something more to notice (something which it is also more important to notice) than the mere exchange. For the money is the commodity-itself converted ; it is the metamorphosed commodity.

In the opposition between a commodity and money, we have an external presentation of the commodity's internal contrast between use-value and value. Use-value and value are combined and existing together in both the commodity and the money, but they are each therein manifested oppositely. The commodity is a palpable use-value form, whose value is expressed ideally in its price ; and the money is a palpable value-form, whose use-value is ideally represented by all other commodities. Both of these opposite forms are passed through by the commodity in its metamorphosis.

The weaver in the market converts his £2 worth of linen

[1] It is a very common error to speak of money as the "means of exchange" or the "medium of exchange." But Marx never refers to money in this way. To Marx, money is the "medium of CIRCULATION," which circulation is a consideration very different to exchange. On the contrary, Marx teaches us on p. 57 that the COMMODITY is a "means of exchange," and in his Chapter IV Marx shows us that, in the circulation of capital, the COMMODITY is even the "medium (the means or go-between) of circulation."

into £2, and then afterwards he converts it into a £2 Bible—which two separate conversions, the "selling in order to buy," constitute the complete conversion, or the complete metamorphosis, of his linen.

To the weaver, the result of the whole process is the changed form of his commodity or value. His linen, or his £2 worth, has taken the form of a £2 Bible (the same value in the form of a different use-value), or, to put it in other words, the product of his labour has taken on that form—the product of someone else's labour.

The course of the whole process, in its two detail metamorphoses, is indicated by C—M—C. But the result of the whole process, or the result of the commodity's complete metamorphosis, is indicated by C—C, which complete and final result is therefore the end of the process.

C—M

The First Metamorphosis, or Sale

Owing to the commodity owner's many-sided wants, and to the one-sided character of his labour (through the social division of labour), the commodity can only serve him as exchange-value or money. But, in order to be convertible into money, the commodity must satisfy certain conditions. It must prove itself as social labour by being useful to some buyer. It must not be a superfluous article over and above the needs of society. It must not contain too much labour-time to pass for the socially-necessary labour-time. And it must not be outclassed or superseded by some new kind of commodity.

Therefore commodities are in love with money; but "the course of true love never did run smooth." Moreover, the social division of labour takes place automatically into its different quantities as well as into its different kinds; and the social division of labour also turns the producers into independent private producers and, at the same time, into mutually dependent beings.

The social division of labour, which turns products into commodities, also enforces the conversion of these commodities into money, and yet causes this conversion to be accidental. But still, unless they be absolutely unsalable, the com-

modities' conversion will actually take place, even though the realized price be abnormally disproportionate to the value.

In a sale, the commodity is converted into the shape assumed by its value; and, the sale being also a purchase, the money is converted (for the buyer) into a particular form of its ideal use-value.

So far, we have only considered the commodity owner; but this owner must meet an owner of gold or money (generally, some person who has himself previously metamorphosed a commodity into money). Thus this phase, which we have been considering, viz. C—M, is but a link in an endless chain of other metamorphoses.

M—C

The Second and Concluding Metamorphosis of a Commodity, or Purchase

Being the converted shape of all other commodities, money is itself convertible into all other commodities. But (whilst there is thus no qualitative restriction upon the exchangeability of money) there is a quantitative restriction, for only a sufficient quantity of money is what will readily exchange universally. This convertible money,[1] however, gives no trace of what commodity it is itself the converted shape of.

A sale being a purchase, and a purchase being a sale, the final conversion (of the weaver's £2 into a £2 Bible) is also the first conversion of the printer's £2 Bible into £2 (preparatory to its final conversion into £2 worth of brandy). Commodity producers habitually convert one kind of commodity into comparatively small quantities of many other different kinds. Therefore the concluding phase of metamorphosis for their commodity is at the same time the first phase of metamorphosis for a host of other commodities.

Just as an exchange is at once both a sale and a purchase, so the seller has a buyer opposed to him. But, during the complete metamorphosis of a single commodity, the owner becomes successively both seller and buyer.

[1] In the Kerr edition, on the sixth line down p. 124, the word "other" wrongly appears instead of "one." The passage ought to read: "Representing on the *one* hand," etc

In a commodity's complete metamorphosis there are implied four extremes and three active persons,[1] viz. two polar extremes in each detail phase of the metamorphosis, the two persons owning the two commodities and the third person owning the money.

The two phases of the complete metamorphosis constitute a circuit, viz. from commodity around to money and then round back again to commodity. As the commodity changes from a non-use-value by finally becoming a something useful, so the money dissolves from a solid crystal of value into a transient equivalent or ideal use-value.

The circuit of a single commodity is, at the same time, the halves of the circuits of two other commodities. The sale of the linen completes the circuit for the wheat by converting the wheat-money into linen ; and the completion of the linen's circuit (by the purchase of the Bible) opens the other circuit, which results in converting the Bible into brandy. The totality of all the so-entangled metamorphoses is the circulation of commodities.

Whilst, in barter, the conversion of wheat into linen would be also the conversion of linen into wheat, we see that, in the circulation of commodities, the wheat's becoming the linen merely makes possible the conversion of the linen into a Bible. And whilst, in barter, the conversion of linen into Bible would also be the conversion of Bible into linen, in the circulation of commodities the linen's becoming the Bible only facilitates the conversion of Bible into brandy. Each owner, too, can sell only because other owners have previously sold.

The circulation process does not end, as in barter, with the one exchange of two objects. As a body, the commodity drops out of circulation at the one exchange, but the money stops in the circulation. And when a commodity finally

[1] This passage is strangely and very badly misunderstood by Aveling on p. 26 of his *The Student's Marx*. He says "terms" instead of "extremes," possibly being misled by Marx's footnote, which is a French quotation from Le Trosne, who uses the French word *termes* in the sense of "extremes." The misunderstanding leads Aveling into the absurdity of enumerating the four "terms" as money and money-owner, and commodity and commodity-owner! But on this lay, there should be six "terms," because there is a second pair of commodity and commodity-owner. Not only so, but he is led thereby into the further and worse absurdity of placing two of these so-called "terms" in the list of three persons also!

completes its metamorphosis into another commodity, the money is always left with a third person.

The two phases of C—M and M—C are, taken together, only the one complete metamorphic process; and if this process become interrupted by the commodity's remaining too long in its money form, then the essential oneness [1] of this double-phased process becomes expressed in a crisis. But, in simple circulation, the crisis is only a possibility. For, although the modern capitalistic crisis would be impossible without this money and circulation, the money and circulation functioned for long ages before the appearance of these crises, which crises must therefore have a modern cause.

Subsection "*b*"

THE CURRENCY OF MONEY

The circulation of commodities, by which every commodity moves in a circuit, prevents any circuit being made by the money. The commodity, linen, moves through its metamorphic circuit and finishes up at the starting-point in the form of a Bible; i.e. the linen finishes the circuit in the owner's hand as another commodity. But, by all the commodities circulating thus, round and back again to their starting-points, the money only runs from hand to hand, and gets further and further away from the point it started from. This running from hand to hand is the currency of money.

As the "means of purchase," money has the one-sided character of being always in the hands of the buyer. The sparrow-like motion of money in hopping from buyer to buyer, or in flitting from the metamorphic process for one commodity to the metamorphic process for another commodity, is really caused by the circuitous motion of the commodities. But this fact is obscured so completely that the motion of money appears to cause the circulation of commodities. The second phase of a commodity's metamorphosis causes this false

[1] In the Kerr edition, here, viz. on the seventeenth line of p. 127, there is the wrong expression "commodity-owned" instead of "commodity-owner."

appearance, because the commodity's motion is there continued by the commodity's money form alone.

The movement of the money is only the movement of the commodities, because the money is merely the independent form of the commodities. The two detail changes of the commodity is consequently reflected in the two separate movements of the money in each complete metamorphosis, as also each fresh commodity's metamorphosis is reflected in the corresponding fresh movement of the money.

The linen is converted into money and then into the Bible. These two conversions are reflected by the money's double motion, first into the weaver's pocket and then out again.

But if there should be only one detail conversion of the commodity, it is just as faithfully reflected in the money motion, for the money also moves only once. (Of course, all this is in the " simple circulation of commodities.")

As a natural material body, every commodity comes into circulation for one exchange, and then drops out of the circulation into the sphere of consumption. But the money stops there, in the circulation sphere. And the question becomes now: How much money does the circulation absorb ?

In a given community, on a given day, there will be a certain number of different sales (or, what is the same thing, different purchases) at the same time in different places. In simple circulation, all the prices or so-expressed values have to be confronted with corresponding amounts of money. But, inversely with variations in the value of gold, the sum total of all these prices will be higher or lower, and consequently the values will be represented with more or less money. When money functions as the " measure of value," the value of the money itself has previously been determined by barter on the gold-fields ; and, if the value of gold fall, there will slowly set in a re-adjustment of prices, which starts at the gold-field and spreads, by infection, amongst the commodities, until all the commodities are estimated by the new value level of gold. This lower value of gold being naturally accompanied by an increased output of the gold, some economists are thereby misled into supposing that the

supply and demand of gold cause the high or low prices of commodities. For our present purpose, of understanding the currency, the value of gold is to be assumed as given.

Assuming also that the price of every commodity be given, the sum of the prices to be realized will clearly depend upon the quantities of commodities circulating.

If the mass of commodities remain the same, the amount of money circulating will vary with the price of them. This is equally true whether the changed prices be either mere market fluctuations or the indication of altered values.

For a concrete instance, let us now take a number of metamorphoses, viz. the metamorphoses of the farmer's wheat, the weaver's linen, the printer's Bible, and the distiller's brandy. Each of these commodities is represented by a sum of £2, and the sum total of all these four commodities amounts to £8. Therefore £8 is the amount of money that must move in the circulation. But now, suppose that all these metamorphoses form the chain or sequence, which we already know of, in which the same £2 are used over and over again. In such case, the same pieces of money will make four consecutive moves, the prices realized will amount to £8, and the quantity of money in currency will amount to only £2. Hence, the circulating medium, at any time, amounts to the sum of the realized prices divided by the number of moves made by coins of the same name.

In a given community, during a given time, some coins will only make one move, while other similar coins will make a number of moves. Dividing the total number of moves for one kind of coins by the number of such coins functioning gives us the average velocity of the currency. The circulation can only absorb that amount of gold which, if multiplied by the average velocity, will equal the sum of all the prices to be realized. Hence, gold can be withdrawn from circulation by throwing into it an equivalent number of pound notes.

Just as the currency of money reflects the circulation of commodities, so also does the rapidity of money's currency reflect the rapidity with which the commodities change their forms. In the currency's velocity we have the flowing unity

of the two detail conversions, the serial sale and purchase—in other words, we have united (as one complete motion) the two conversions of commodities (from their use-value aspect to their value aspect, and back again from their value aspect to their use-value aspect). A slowing down of money's velocity reflects a stagnation in that process, the commodities' transformation. But the public (erroneously for the most part, yet naturally) think that the stagnation is caused by a shortage of money.

The quantity of money in circulation at any time is determined by the state of prices, the quantity of commodities circulating, and the velocity of the money-currency—which three factors are all variable.

With prices remaining unchanged, the quantity of circulating medium will vary with variations in the quantity of commodities, or with variations in the velocity of currency, or with combinations of the two variations together.

With a rise in general prices, the quantity of circulating medium may remain constant; if the velocity of the currency equally increase with the prices, or if the mass of commodities decrease proportionately to the increased prices, other things remaining the same in each case. Or the quantity of circulating medium may decrease; if the mass of commodities decrease more rapidly, or if the velocity of currency *in*crease more rapidly, than the prices rise.

With a fall in general prices, the amount of circulating medium will remain constant; if the mass of commodities increase equally with the lower prices, or if the velocity of money-currency equally *de*crease. The amount of circulating medium will increase; if the mass of commodities increase more quickly, or if the velocity of the currency *de*crease more quickly, than the prices fall.

Owing to mutual compensation between these various factors, the deviations from an average quantity of circulating medium, current in any community, are considerably smaller than would at first be expected.

Given the sum total of the commodities' values, and the average rapidly of their circulation, the amount of currency in circulation is determined by the value of gold.

Subsection "c"

COIN AND SYMBOLS OF VALUE

The fact that money takes the form of "coin" springs from its function as the "medium of circulation." As such medium, the money, in order to conveniently represent commodities' values, must confront the commodities as coins or as different fixed degrees of the value measure:

The difference between gold coin and bullion is only one of shape, and the gold can readily become either the one or the other. But the wearing away of gold coin leads to the coin representing more value than it really contains, and to its thereby becoming to some extent a symbol of value.

The fact that currency thus turns coin into a symbol, together with the historic fact that the less precious metals were ousted as measures of value by the more precious, indicates the possibility of employing token coins as value symbols. And so to-day gold is continuously being put into retail circulation, and as continuously being put out again through being worn down into token coins.

From the independence between the functions of token money and the value in such money there springs the further development of the symbolic character of money by the substitution of paper notes; in which paper, the symbolic character that was partly hidden, by metal tokens, stands plainly revealed.

Paper notes must not be confused with cheques and bills, etc. Paper money proceeds from the function of "medium of circulation," and cheques, etc., proceed from the function of "means of payment."

The law of inconvertible paper money is that its amount must not exceed the amount of gold that would be current in the absence of paper. If the amount of paper exceed this proper limit, all of it would really represent only that amount of gold which measures the proper limit.

The difference between gold or real money and paper notes is—that gold expresses value by being an equivalent value, and the paper is only a sign or symbol of the gold.

Symbols of value may replace real money only in the function of medium of circulation. Such symbols can circulate only within the boundaries of the State which issues them. But it is only there that the circulating medium fully responds to its function by becoming the coin of the realm.[1]

"Section 3"

Money

The commodity functioning as Measure of value and, either by itself or by token, as medium of circulation, is money. It functions by itself as money when it has to be present as real gold. It also functions as money when it becomes the sole form of commodities' value, in contradistinction to their use-values, either in itself or as represented by tokens, etc.

Subsection "*a*"

HOARDING

As the perpetually moving medium of circulation, the money is coin. As the stagnant coin, when the complete metamorphosis of commodities becomes interrupted by commodities remaining half-way in their money form, the immovable coin becomes money.

With the development of commodity circulation, there comes the necessity and the passionate desire to retain the transformed commodity as a gold chrysalis. The medium of circulation becomes the end and aim instead of the medium, and the money thus petrifies into a hoard.

In early development of commodity circulation it is only surplus use-values that are converted into money; therefore the money material becomes the social expression of superfluous wealth.[2]

[1] In this paragraph the Kerr edition has the wrong word "alteration," instead of "alternation," on the twelfth line of p. 145.

[2] On the seventh line of p. 147 the Kerr edition has the word "or" instead of the word "of." The correct reading is "superfluity of wealth."

With the further development (of commodity production) there comes the development of the hoard. Owing to the continuously growing necessity of having previously sold, in order to be ever able to buy, there accumulates variously-sized hoards of precious metal all along the line of exchange. Also there arises the greed for gold. Everything, whether commodity or not, is thrown into circulation, "to come out again as a gold crystal." Capitalist society worships gold as the sacred cup, as its Holy Grail, as the embodiment of that value which is the very life basis of capitalism.[1]

Unlike the material commodity, which as a use-value is a particular form of wealth, the value of the commodity is convertible into all other forms of wealth, and therefore represents the social wealth of its owner. The value-form, or money, which has no qualitative limits to its exchangeability, is yet limited by its actual amount;[2] and this quantitative limit, to the qualitative boundlessness of money, urges on the hoarder to accumulate and to ever more accumulate.

The more the hoarder produces, the more he may sell. "Hard work, saving, and avarice are his three cardinal virtues, and to sell much and buy little the sum of his political economy."

Alongside this brutal form of hoard, there is the æsthetic form, by means of which, through the jeweller's art, the possessors may be rich or look rich. So, besides actual money, there accumulates a store of precious metal against possible crises and social disturbances.

The quantity of money circulating expands and contracts with the fluctuating market conditions.[3] Therefore hoards are necessary, in order that the currency may constantly satisfy the monetary needs of the market.

[1] On the twenty-fourth line of p. 147, the Kerr edition has the word "of" instead of the word "or." The correct sense is: "the *nexus rerum or* the social pledge."

[2] In this paragraph the word "relative" is missing from Marx's text, viz. on the seventeenth line of p. 109 (p. 149 in Kerr's ed.). The passage should read: "It is true that the *relative* value of money varies," etc.

[3] Here, in the Kerr edition (on the third line up from the bottom of p. 150), there is the wrong word, "attached," instead of the word "attracted."

Subsection "*b*"

MEANS OF PAYMENT

In simple circulation a given value is always confronted with its double—in other words, the value is always present in two forms. It is present as the commodity and, at the same time, it is present as the money. When, through development of the exchange process, the commodity comes to change hands alone, and the money to change hands only at some subsequent time, there arises a new relationship between the persons; and, correspondingly, there also arises a new function for the money. The seller and buyer become creditor and debtor, and the money becomes the "means of payment."

This relationship of creditor and debtor can afterwards be assumed, independently of the commodity circulation out of which it arose. But it may entail struggle, privation and misery for the debtors, and wanton cruelty and victimization at the hands of the creditors. The Roman plebeian debtors were ruined and enslaved. Afterwards, in the Middle Ages, the feudal debtors also were ruined, politically and economically. Yet this phenomenon was only superficial, and the real causes of it lay deeper.

The presence of the two equivalents, commodities and money, ceasing to be simultaneous in a sale, there also arises another new function for money. The money now becomes the "ideal means of purchase," for it is not actually present at the alienation of the commodity; it is only ideally present in the promise to pay.[1]

By means of this function a buyer may purchase before having sold, in which case the commodity passes through its second metamorphosis before completing its first.

The amount of money, necessary to discharge the obligations falling due in a given period, depends partly upon the amount of the obligations and partly upon the rapidity of currency of the means of payment. Just as the same person

[1] On the seventeenth line of p. 113 (sixteenth line of p. 153 in Kerr's ed.), appears the wrong term "exchange-value" instead of the correct term "value."

is alternately both a seller and a buyer, so the same individuals may be both creditors and debtors; and when, amongst such individuals, a chain of debts are settled one after another with the same pieces of money, a comparatively small sum will suffice to discharge the mass of debts.

But in addition to this there is a large mass of debts which is discharged by "clearing." A owes money to B, B owes to C, and C owes to A; and these can all be mainly settled, mutually against each other, so as to leave only a small balance for actual payment in money.

Financial crises only occur where this system has been fully developed (that is, where an artificial method of settling the constantly-growing chain of payments due is fully developed), and they occur through some disturbance of its mechanism.[1]

With the rapidity of movement given, for the circulating medium, and also for the means of payment, the sum total of money current at any time will equal the prices to be realized, plus the payments falling due, minus the payments that nullify and settle each other, and minus also the different circuits in which the same coin functions (either as medium of circulation or as means of payment). Hence, even more than was the case in simple circulation, the amount of money in currency and the mass of commodities in circulation will be very different quantities.

Credit money (such as cheques, bills, promissory-notes, etc.) arises from the function of money as means of payment. With the development of credit money, gold and silver become small change and the instruments of retail trade.

In its maturer development the means-of-payment function of money spreads itself outside the sphere of circulation. Payments in kind, such as rents, taxes, etc., become transformed into money payments. The more primitive payments-in-kind tend to conserve the feudalistic form of

[1] A very curious error occurs in the first sentence of this paragraph in Marx's text. The sentence wrongly reads: "The function of money as the means of payment implies a contradiction without a *terminus medius*," It ought to read: "The function of money as the means of payment implies a contradiction without *a rational end, but with* a *terminus medius*." Also in this paragraph the wrong term "exchange-value" occurs in place of the proper term "value," viz. on the seventh line of p. 115 (the sixth line of p. 155, Kerr's ed.).

production; but the extension of commodity-production sweeps away both the feudal-production and its conservative elements.[1]

In every country there are habitual and seasonable settling days for all sorts of recurring debts. These bring about superficial disturbances in the local supplies of means of payment.

Through the same coins functioning over and over again in different payments, the amount of money necessary for these periodical payments is inversely proportional to the length of the periods. For example, forty millions per annum can be paid in weekly wages by $\frac{£40,000,000}{52}$ or by forty millions divided by 52; whilst, if paid quarterly, there would be required $\frac{£40,000,000}{4}$, or thirteen times as much.[2]

As money develops into the means of payment, it becomes necessary to accumulate reserves against the periodical settling days; so that, while hoarding to amass riches declines, at the same time there grows the formation of these reserves of means of payment.

Subsection "*c*"

UNIVERSAL MONEY

In the world market money strips off its local dressings, such as dollars and ducats, or francs and sovereigns, and returns to its primitive shape as bullion. There, the commodities express their values so as to be universally recognized. And so we see the gold representing the abstract labour to the fullest possible extent, for it represents the human labour of the whole world.

In domestic circulation (the circulation inside any one local community) there can be only one effective measure

[1] On the fourth line from the bottom of p. 157 the Kerr edition has the wrong word "Prince" instead of the correct word "Price."

[2] After the word "periods," at the end of the third line on p. 119 (S.S. ed.), add a little "1," referring to the first footnote.

of value. In the world market there are two, viz. gold and silver.

As bullion, money functions as the " universal means of purchase," chiefly whenever there is any disturbance of the normal international intercourse. It functions as the " universal means of payment " chiefly in the settlement of international balances ; and it functions as the " universal embodiment of wealth " whenever the wealth that is to be transferred from one country to another cannot take the form of commodities.

Hence, reserves of money are necessary for the international sphere, just as they are for the domestic sphere of circulation. And thus we see that the hoards arise partly from the function of circulating-medium, partly from the function of means-of-payment, and partly from the functional phase of " bullion."

The world motions of the precious metals may be generalized into two streams. In one stream they flow from the countries which produce them as commodities, and in the other stream they continually flow backwards and forwards between the different national spheres of circulation.

In countries where capitalist production is developed to a certain degree, the hoards in the banks are limited to the minimum required for the various functions. When these hoards grow to a remarkably unusual bulk, this generally indicates a retardation in the metamorphosis of commodities.

PART II

"THE TRANSFORMATION OF MONEY INTO CAPITAL"

THE capitalist exploitation of the working class is carried on by means of industrially applied capital.

Just as we must understand commodities before we can possibly understand money, so must we understand capital before we can understand the industrial application of capital. In all the functions and aspects of money traced out by Marx in Chapter III of Part I (summarized here in the Chapter III just passed[1]) there is not the slightest suspicion of anything like the nature or function of capital. In every one of the fifteen different functions of money there is a total absence of anything resembling the function of capital. This function of capital is a development quite beyond any mere money function; it is a still further development of that social reality called "value," the evolution of which reality we have seen Marx tracing from its very first beginning.

The fetish, "value," now develops into the worse fetish, "capital." When "capital" crops up, the "Fetishism of Commodities" develops further than the dazzling money form of value. The attributes and relations of industrial units of society, disguised and mispresented as attributes and relations of social products, are added to; even more human relations are presented as relations of things. That peculiar strength supposed into commodities, that life or fetish-entity

[1] The foregoing three chapters are summaries of Marx's chapters, containing corresponding paragraphs. What will now follow, however, are not such summaries. A more or less continuous gist of Marx's work is given, but in a more free-and-easy manner, there being no corresponding paragraphs nor chapters.

called " value," is further developed—into something that apparently breeds, and it somehow brings forth more value, as offspring, for the capitalist.

Marx's Part II gives us the evolution or " transformation " of money into capital. This part consists of three chapters ; viz., first, Chapter IV, the " Formula for Capital," in which Marx finds the mathematical diagram of the peculiar movement of capital-value, involving, at the end of the movement, an augmentation called " surplus-value " ; second, Chapter V, " The Contradictions " in this Formula, in which Marx probes the contradictions of capital's peculiar movement, and exposes the only part of the movement where the secret of surplus-value may be hiding ; and third, Chapter VI, " The Buying and Selling of Labour Power," in which Marx finds the secret to be nothing but exploitation of the working class.

" The Formula for Capital "

Now, let it not be thought that Marx defines capital by presenting the " formula " for it. First, in Chapter III, we had the formula for the circulation of commodities, C—M—C. Then here, in Marx's Chapter IV, we have a different formula for the circulation of capital. But this formula for capital's circulation does not mean a definition of capital ; it merely means the outline of capital's circulatory process. Of course, Marx makes it clear that capital is value that somehow seems to expand itself. But, beyond that, he does not anywhere define capital in set terms ; his whole work is one huge definition of capital, by virtue of giving its full character in wonderfully elaborated details. Marx often characterizes capital without defining it, for the mere characterizing of anything may easily be not defining it. The " formula for capital " only defines capital's peculiar motion ; it only finds value's peculiar motion which turns the value into capital. He is constantly saying something about capital, but he does not, by such detail, necessarily define it. Marx thoroughly understood what capital is, of course ; but, just as the books upon electricity keep on telling us multitudes of facts about that natural reality without

ever defining it, so exactly does Marx tell us about capital without ever defining it in hard and fast terms (although for quite a different reason, as none of the writers quite understand what electricity is).

Marx never defined capital in set terms as he defined value ; his whole work sets it out, and this is probably why so many other modern writers have failed in their attempts to define it. (For instance, this may be why Ferdinand Lassalle could never define capital.) But here, in his Chapter IV., Marx gives the formula which is to be searched. Marx's " formula for capital " is the mathematical indication of a movement which we can search for the secret of capital.

The very first form of capital is value in the money form. Accordingly, value in the money form is in some way developed, from such mere money value, into the capital value. In the general metamorphosis of commodities, C—M—C—M—C, Marx found, not only the circulation of commodities, but he also found the possible circulation of money. If, instead of a commodity circulating (so as to land back into the same hand as a metamorphosed or converted commodity)—if, instead of that, an item of value as money should circulate so as to land back into the same hand as money again, then at once there is the possibility of capital. Such a motion for money is the characteristic motion for capital. Instead of the characteristic motion of money, as coin or currency in the circulation of commodities (C—M—C), in which motion the money is always moving further away from its starting-point, we have this other motion of money (M—C—M), in which the money returns to the same hand. And such a motion is therefore potentially the circulation of capital. But now, what is the meaning of such a motion ?

In the circulation of commodities, the movement of C—M—C, or the conversion of a commodity from the non-useful-to-the-owner form into a useful-to-the-owner form, is perfectly intelligible and reasonable. Such a movement is the metamorphosis of a non-useful £2 worth into a useful £2 worth, and this is an all-sufficient cause for the movement or circulation.

But a man who puts money into circulation, with the sly intention of getting it back again, is not " sly " at all if £2 is to leave his hand just to circulate round back to his hand again as £2. Such a process as this would be silly ; and, as such, it could not possibly account for that converting movement (M—C—M) which constitutes the circulation of potential capital.

This formula, M—C—M, for the circulation of money, is a similar formula to C—M—C for circulation of commodities.[1] Whilst such a formula is perfectly reasonable for the commodity circulation, it certainly is not so for the circulation of money. In C—M—C the extremes (C—C) are quite naturally different enough (qualitatively) to account for the circulation, the first " C " being linen and the second " C " being a Bible. But in M—C—M the extremes (M—M) have no qualitative difference at all, for £2 is quite indistinguishable from any other £2 ; there is not the slightest qualitative change ; nor could there be any qualitative change, no matter what amount of money might happen around.

Since there can thus be no difference in kind or no qualitative change, and as there must necessarily be some reason for the motion or circulation of money, why, then, there is no alternative but to look for a mathematical difference (a quantitative change) as a sufficient reason for the circling motion of money. Hence, we can see what is the meaning of such a motion.[2]

The formula for the circulation movement of capital is different to that for the circulation of commodities in this : that, unlike the commodity-circulation formula (which indicates a £2 worth being converted into another £2 worth), the capital-circulation formula must indicate a mathematical difference between value at the start and the same but swollen value at the finish. For " what functions as capital is not

[1] In *The Student's Marx*, p. 33, there is an error of sequence. The passage on the ninth and tenth lines ought to read as follows : " (*a*) (1) begins with a sale and ends with a purchase ; (2) begins with a purchase and ends with a sale."

[2] On the eighth line of p. 170, the Kerr edition has the wrong word " is " instead of the word " in." The correct sense is : " more wealth *in* the abstract."

the materials, but the value of these materials."[1] Therefore the formula for the circulation of capital is M—C—M′, in which M′ represents the original M plus the M difference (or in which the £2 at the start is converted into £2 10s. at the finish; or what here amounts to the same thing, £100 at the start converted into £110).

And so the evolution of that social reality, "value," advances a step further. The fetish "value" becomes transformed into the fetish "capital," when money seems to breed more money, or when value apparently expands itself and seems to lay its "golden eggs." Value which is developed into "capital," then, seems to breed and bring forth "surplus-value" as an offspring.

Of course, when Marx quotes the Mercantilists, on p. 133 (p. 173 in Kerr's), to the effect that capital is "money which begets money," he is referring to the fetish exactly; for all the "actions" of this fetish, "value," are of the same character. Money "breeds" only in exactly the same way that "money talks," viz. only in people's minds.

The "Contradictions" of this Formula

But this formula for capital, this M—C—M′, contradicts all that we have hitherto considered. It contradicts C—M—C, for the process of buying in order to sell is directly opposite to the process of selling in order to buy. Here we find that

[1] Quoted by Marx from Say: "Ce n'est pas la matière qui fait le capital, mais la valeur de ces matières." J. B.'s translation of this quotation is: "It is not the material which constitutes capital, but the value of the material" (*The Theory of Value*, p. 115, footnote "*l*"). Hence we can see the great difference between a real definition of "capital" and Lassalle's presentation of it. Marx tells us on p. xvi of his preface that "the section of Ferdinand Lassalle's work against Schulze-Delitzsch . . . contains important mistakes" (see Marx's footnote, p. xvi; also on p. 12 in the Kerr edition). Chas. H. Kerr & Co. published the "section" of Lassalle's work, referred to by Marx, as a pamphlet under the title of *What is Capital?* On p. 26 of the pamphlet there is one of the "important mistakes." Lassalle there says: "Formerly labour was productive; now the instrument is alone productive. The instrument of production which has been snatched from the worker, which has changed parts with the worker, is capital; the worker has become the dead, unproductive instrument while the instrument now alone is productive"! Quite wrong, of course. But what is more to our point, throughout the whole pamphlet Lassalle never succeeds in defining "capital"; he never once alights on to the fact that "capital" is value which fattens by expansion upon working-class exploitation.

the commodity is the medium of circulation instead of money. Here the purchase is apparently of some non-use-value instead of a personal use-value. Here the money returns to the same hand, instead of getting further away from its starting-point, as is the case with every normal shift of mere money or current coin. Here the first term, M, is qualitatively the same as the third term, M', instead of being qualitatively different, as is the case with the linen and Bible in C—M—C. Here, instead of a value realizing itself in the use-value of another commodity, the realization of the value is only in its own swollen self. Here, instead of the first term and the third term being the same value qualitatively converted, or the same £2 worth qualitatively changed, the value is quantitatively converted or swollen into the dimensions of quite another quantity.

Moreover, for two out of the three persons concerned, this buying in order to sell is nothing of the kind; for them it is nothing but the normal process, viz. either selling in order to buy or buying through having previously sold.[1]

But buying in order to sell does nothing of a productive character, any more than do ordinary exchanges. If I buy from A and sell again to B, there is nothing more effected than would be the case if B had bought from A directly instead of indirectly; the thing is sold twice instead of once; but the whole process is confined to the sphere of circulation, and there is no production of anything.[2]

In direct mutual purchase and sale on credit (as when A buys £50 worth from B, and B buys £50 worth from A, to square accounts on settling day without the passage of any money), leaving out of consideration the "measure of value," money then functions only as "money of account." In such a transaction, therefore, money is not handled nor actually involved at all, and so it could not in any way be said to breed. But yet each of the two parties may in a sense be said to gain by exchanging away the not-wanted

[1] On the fourteenth line of p. 174 the Kerr edition has the wrong word "either," instead of the correct word "neither."

[2] On the twenty-sixth line of p. 134 (the thirty-second of p. 174 in the Kerr edition) occurs a peculiar error. The passage should read to the direct opposite, as: "B would buy directly from A, and A would sell directly to B."

in return for the directly useful, and probably also by their being able to specialize upon one line of industry and thereby to become more productive. But the exchange produces no value ; [1] the same total amount of value exists after the exchange as before it—no more, no less. The values express themselves in their prices before the exchange, and therefore precede the exchange, and so they could not be the result of that exchange.

If we except the metamorphosis of use-value (or conversion of a not-wanted commodity into a personally useful commodity), there is nothing in simple circulation but the changed form of the value. It is true that commodities may be sold at more or less than their values ; but this would not be simple circulation, in which it is assumed that £50 worth is sold for £50 or exchanged for another £50 worth. The simple circulation of commodities, the conversion of commodities into directly useful articles, is no method of creating or augmenting value.

Therefore, when it is pretended that exchange is such a method (viz. a method for creating surplus value), there is always a trick in it ; there is a something presented instead of a something else ; there is a confusion of use-value and value. But the things are not paid for more than once ; they are not paid for on account of their use-value, and, in addition to that, on account of their value too. And if selling be creating value or surplus-value, there can be no escape from the equal absurdity of buying also creating value ; for does not the buyer turn the seller's commodity into money for him ?

If £50 worth are exchanged for £50, or for another £50 worth, it is easy to see that no increase of value is thereby implied ; and normally, the exchange of £50 worth for £50 is demanded. But the exchanges do not keep to this normal form of actual equivalents ; so let us now see that, not only can the exchange of equivalents not produce any

[1] The wrong term "exchange-value" occurs here three times instead of the correct term "value," viz. on the thirteenth, seventeenth and twenty-first lines of p. 135 (the nineteenth, twenty-fourth and twenty-eighth lines of p. 175 in Kerr's edition) ; also on the third line of p. 136, and on the second and twentieth lines of p. 137 (the eighth line of p. 176, and the sixth and twenty-fifth lines of p. 177 in Kerr's edition).

value, but neither can the exchange of non-equivalents produce any.

Suppose the seller to sell a value of 100 for 110. But in such case he will have cheated the buyer. What the seller gains, the buyer loses. There is no increase of value. Before the exchange there were two values (100 and 110), totalling 210; after the exchange there are the same two values exactly, only they are in different hands. And nothing would result, different in character to this, if the seller were to sell the value of 100 for 90; for both before and after such a sale also there would be extant the same quantities of value exactly, viz. a total of 190. Consequently, be the price high or be it low, there is no creation or increase of any value in the exchange process.

But if there be a class who habitually buy cheap and sell dear, who accordingly throw into circulation less than they take out of it, there must be another class who throw into circulation more than they take out; and the existence of such as this latter class would imply that they must first manage somehow to get something for nothing in order to afterwards be so kind in the exchange process as to give something for nothing. But such a class is never indicated by the simple circulation of commodities. The existence of such a class could only be explained by something else outside. If Rome habitually purchased things from the provincials at prices above their values, this does not mean that the exchange process produced any surplus-value for the provincials. It only means that the provincials were first plundered by the Romans, and that they then contrived to get back a little of the tribute, previously wrung from them, by means of cheating. By cheating, they managed to recover a little of what they had previously been plundered of. Thus, in such exchanges, there was no production of value—no increase of existing value.

It is no different if we speak of individuals instead of classes. If A should get the better of B, the amount of value in circulation remains unchanged thereby. What the one may gain is lost by the other. If £40 worth be sold for £50, the amount of value existing after the sale will be a total of £90, exactly the total existing before the sale. Again,

there is no production of—no increase of—any value in the exchange process.

So, if equivalents be exchanged, there is no increased value, no production of surplus-value; if non-equivalents be exchanged, still no increase, no production of surplus-value.

Therefore it is impossible to account for the transformation of money into capital by the circulation process alone. And therefore, at this point, it might seem that the formation of Merchant's capital is only possible by cheating the producers; but in Vol. III we learn that there is another explanation when we learn the connection between Merchant's capital and the standard capital of capitalism.

Since the surplus-value cannot arise in the circulation, there must necessarily be something that happens apart from the circulation. But here comes another contradiction, for neither can it arise apart from the circulation. Outside the sphere of circulation, the commodity-owner is connected with only his own commodity. He can produce his value by his labour; but he cannot produce a value that is itself and yet a something bigger than itself; he cannot produce a value that is 10 and that is yet also 11. He can produce value, "but not self-expanding value." He can add value to his value in hand, e.g. by converting leather into boots, but only in so far as he adds labour; the leather does not generate any surplus-value. And therefore it is also impossible, outside the circulation, for a commodity-producer to make value expand itself (without connection with some other commodity-owners), i.e. impossible to convert his value into capital.

Therefore, since surplus-value does not arise in circulation, and since it cannot arise apart from circulation, the capitalist must be able in some way to convert his money into capital, partly in the circulation and partly out of it; and we have seen that converting his money into capital must be possible to him, even despite the exchange of equivalents in the circulation. In buying, the capitalist must be able to give £100 for £100 worth, and when he sells again he must be able to give so-much-money's-worth for so-much-money; and yet, despite that, he must manage to extract more value out

of the circulation than he originally throws into it.[1] The capitalist always assumes to be giving "value for value" when dealing with others (assumes to give £100 for £100 worth, and then to give £110 worth for £110), and yet admits to be realizing £10 surplus value. So then, if it be possible, these are quite the proper conditions under which to see him capitalistically function. *Hic Rhodus, hic salta!*[2]

"The Purchase and Sale of Labour-Power"

Such, then, is the problem. Now, the secret of surplus-value must be hidden in one of the terms of that formula for capital, viz. M—C—M'. It cannot be in the first term, M, for this is a hard-and-fast crystal of value that could not possibly expand itself. Neither can it be in the third term, M', for this also is the same hard-and-fast form of value, and the excess of its bulk over the bulk of the first term, M, only indicates a something that must have happened (to the capital) in between these two stages. Nor yet is it in either of the two

[1] It is a common error amongst proletarian "scientists" that Marx teaches the commercial exchange of equivalents (just the same as is taught by the *bourgeois* economists!). They tell us that sometimes the prices of commodities are above their values and sometimes below their values, but that "in the long run" the commodities exchange exactly at their values. Thus the "leaders" of working-class thought hold forth year after year, and vainly imagine themselves to be presenting Marx's idea. In the footnote on this p. 144 (p. 185 in Kerr's), however, as elsewhere also, Marx definitely contradicts it. Marx here says: "Average prices do not directly coincide with the values of commodities." And nowhere (never by any chance) does Marx ever declare the commercial exchange of equivalent values. Marx assumes the exchange of equivalents scientifically; but if such concept had been true, he would never have assumed it—he would have declared it. We may with advantage notice an editorial error in this connection, on the contents page of *Value, Price and Profit* (p. xii), where a synoptic statement appears to the effect that "profits do not spring from selling commodities above their values"! This is very misleading. If readers will take the trouble to study the page of *Value, Price and Profit* referred to, viz. p. 39 (also p. 50), they will see that Marx does not make any such declaration, neither directly nor indirectly. What Marx really teaches is: that normal capitalist gains are realized despite the assumed exchange of equivalents. Not only does Marx never declare the assumed exchange of equivalents to be a commercial fact (neither in *Value, Price and Profit*, nor anywhere else), but here, at the end of his Chapter V of *Capital*, he forcibly declares the contrary. And it surely ought not to require a very great mental effort to see that, if "normal and average profits" ensue from the capitalist exchange of equivalents, or "by selling commodities not above, but at their real values," then even more than the "normal and average profit" must of necessity ensue "from selling commodities above their values."

[2] See this quotation in the Addendum to the Glossary.

detail phases of purchase and sale, because we have necessarily assumed the exchange of equivalents. Therefore the secret must be that something happens to the middle term, C; it can only be that this term, C, somehow covers the expansion of the capital value. But, in order to do this, the C itself, the commodity, must be in some way altered; that is to say, in order that a commodity of a given value may become a commodity of bigger value, the commodity must be converted into some other commodity. But we are here excluded from the formal conversion of exchange, such as the market metamorphosis of linen into Bibles, etc.; and therefore we are driven to the conclusion that the increase of value must originate in the consumption of the commodity's use-value.

Now, here we come full tilt on to a certain sure-worry for the student. In Marx's Chapter VI, at this point (p. 145, S.S. ed.; p. 186, Kerr ed.), there seems to be a break —there seem to be some links missing from the chain of reasoning, which seeming break perplexes the student. What reasoning is put in is quite perfect. But there is what constitutes a very embarrassing abridgement; there is the unsatisfied need at this point of a recapitulation, and there is also the anticipation of a point subsequently dealt with in Chapter VIII (viz. the difference between creation of value and the re-embodiment of pre-existing value), which does constitute a slight missing link in this Chapter VI. of Marx's. The pupil will read over this part repeatedly to try and fossick out the " therefore " (viz. the reason that in the search for capital's increase we are here driven to the " consumption " of the " C "), but unless he happens to think of all the pertinent points previously dealt with, this " therefore " will remain to him nothing but a " wherefore ? "

At the beginning of this Chapter VI, in both Moore's and J. B.'s translations, the search for the source of surplus-value amounts to this: M and M′ are both hard-and-fast petrifications, or forms in which the value's quantity could not alter. Therefore the middle term, C, must somehow cover the mystery. But the increase (or origin of the surplus) cannot occur in the exchange process of M—C, nor yet in the exchange process of C—M′; therefore it must occur in the

process of consumption of this " C " !—which very " therefore " is the student's puzzle. How comes the consideration of " consumption " to be forced into the reasoning at this point ? This is a slight difficulty left by Marx (unintentionally, of course) as a beginner's worry. Let us now therefore notice the apparently missing links of reasoning at this place, which links have all (excepting the anticipated one) been previously given, and which are just as simple as the usual wonderfully simple Marxian concept.

The following, then, is how we are forced to conclude that surplus-value originates in " consumption " :—

We have examined the two exchange processes and the two extreme terms ; that is to say, we have examined the process of M—C and we have examined the process of C—M' ; and we have seen that no surplus-value can arise in these processes, no matter whether equivalents be exchanged nor whether non-equivalents be exchanged, and therefore we now assume the exchange of equivalents as an intelligible basis ; also, we have examined the first term, M, and the third term, M', and we see that they are both hard-and-fast forms, petrified and non-expansive. Therefore we are now forced to confine our attention to the middle term, C. But even with this " C " we have already seen that, although the owner can add more labour to it, and thereby more value (for example, by converting leather into boots), still he cannot add expanding value ; he cannot add a value that is 10 and that yet becomes 11. But yet the origin of surplus-value must be connected somehow with embodied labour, because we have previously seen that all value is only embodied labour. A man's own labour, however, is not a something which he buys (as he buys leather, to consume) ; a man's own labour is only the industrial output of his own personal energy. Yet, again, embodied labour is now seen to be the only hope for the origin of surplus-value ; and he must accordingly be able to buy some peculiar labouring kind of commodity and consume it in industry, some commodity such that his industrial consumption of it is an actual creation of value (and not the re-embodiment of pre-existing value like that of leather). If he buy leather containing a value of 10, and consume it by making boots with it, the value of the leather

does not become a value of 11. In the consumption of the leather there is only the re-embodiment of pre-existing leather-value in the boots, and this is no creation of value. The capitalist must be lucky enough to buy some commodity whose industrial consumption by him is not such as the re-embodiment of previous value, but whose capitalist consumption is the actual creation of value. Not only so—not only must it be such a commodity, the consumption of which is the creation of value, but it must be such a commodity that the value created by its " consumption " may be even more than its own value.

And the capitalist does find such a commodity in the market in the shape of the working-class's labour-power. The value of labour-power is the value of its own cost or upkeep, but as a quantity that value is quite independent of its use-value, and quite independent of the value which its " consumption " produces. The value of labour-power, as a quantity, is nothing to do with the value which it can produce ; its own value and the other value which it produces, by labouring, are quite separate considerations, and are also quite separate and very different magnitudes.

The connected reasoning, then, is this : that, since neither of the two detail processes of exchange can account for the surplus-value, since, also, neither of the extreme terms can account for it, we are narrowed down to searching the middle term, C, for some change ; but, since the ordinary industrial change of one commodity (as leather) into another commodity (as boots) also fails to account for the surplus-value, we are still further narrowed down to searching for some peculiar commodity whose industrial " consumption " is the creation of value instead of the mere re-embodiment of value. And such a peculiar commodity is labour-power.

By this labour-power is meant all the physical forces (whether muscular, nervous, mental, etc.) exercised by a human being when producing any use-value.[1]

But what are the conditions necessary for such a peculiar commodity as labour-power to be in the market ? The first condition is that the person, whose bodily strength the

[1] On the twelfth line of p. 186, in the Kerr edition, the wrong word " these " occurs instead of the correct word " those."

labour-power is, must be regarded as the free owner of it, in order that he may sell it. But in order that he may not cease to sell it, or in order that his labour-power may not disappear from the circulation or market, he must not sell his bodily strength once for all, and thereby become a chattel slave; he must only sell it for a limited time. The second condition is that he be unable to sell any ordinary commodities as embodiments of his labour, and that he be compelled to sell as a commodity (that is, as a use-value for someone else, or as a thing which is of no direct use to the first owner) the very strength of his own body.[1]

The conversion of money into capital therefore depends upon the " free " labourer's presence in the market—" free " in the sense that he owns, and can sell, the labour-power of his own body, and " free " also in the other sense that he owns nothing else (upon which he might use his own labour-power) to prevent the sale.

Such conditions, however, have no mere natural basis; they are the outcome of historical development.

But the other economic categories are also the outcome of historic development; for example, the ordinary commodity. So, too, is the fact that the mass of a community's products have become commodities. And the stage reached by historical development of the process of commodity production is indicated in the process of commodity distribution by the differentiation of use-value and value,[2] by the establishment of money, and then by the preponderance (or contemporary importance) of this or that particular function of money.

A comparatively low development of commodity production and circulation suffices for the evolution of all these phenomena. But it is different with capital. The mere development of commodities and money does not suffice for the advent of capital. Capital is born only when the development has proceeded so far that the owner of ordinary

[1] On the fifth line of p. 187 the Kerr edition has the wrong word "in" in place of the correct word "is." The passage should read: " as a commodity *is* this. . . ."

[2] On the twentieth line of p. 148, S.S. ed. (fourth line from the bottom of p. 188 in Kerr's ed.), the wrong term "exchange-value" occurs instead of the correct term " value."

commodities and money meets with the "free" labourer's labour-power in the circulation, and the evolution of this phenomenon means the appearance of a new world. The appearance of capital, therefore, is the announcement of quite a new economic epoch.

But what, now, is that value of labour-power which is so kindly and obligingly less than the value produced by the labour-power's consumption? It is the cost of the labour-power's upkeep. This cost resolves itself into the cost of the labourer's necessary means of subsistence. The character and quantity of these means of subsistence depend partly upon the character and quantity of labour to be performed, and partly upon the recognized standard of living for the labourer, according to the society's degree of civilization and the concomitant historic and moral traditions of the time.

An old adage has it that "the labourer is worthy of his hire." This adage is a crude way of saying that the labourer is worthy of repair, viz. the repair of that wear and tear of him occasioned by the "hire." If, then, the upkeep of labour-power should fall below this repair, or, what amounts to the same thing, below the socially recognized historically and morally developed standard of living for the labourer, the labour-power would become impaired below its normal degree of efficiency. Therefore the value of the labour-power is the cost (or the amount of labour) necessary to maintain the labourer up to his normal standard as such labourer.

But the seller of labour-power is mortal. And so the upkeep of labour-power includes the maintenance of the labourer and his physical reproduction; that is, it includes the livings of the labourer and his wife, and the livings and education or training of the necessary children (without which children, as his substitutes, the constant supply of labour-power could not be forthcoming). Whatever be the cost of all this, such is the normal average value of labour-power.[1]

[1] On the first line of the footnote of p. 191, in the Kerr edition, there is a bracket missing after the word "labour's." The passage ought to read: "Its (labour's) natural price. . . ." Also there is part of the sentence missing at the end of the footnote, viz. the words: "here wrongly used for labour-power." On the next page, too (p. 192), the second line has the wrong word "in" instead of the correct word "is." The passage ought to read: "half a day's labour is requisite."

A fairly definite point, then, is historically established as the normally recognized level for the value of labour-power. But the idea that the value of labour-power is an exact and unalterable magnitude, or a fixed level that cannot be interfered with by the encroachments of capital, is altogether wrong. There is another equally definite point which is of much more callous adjustment than the preceding, viz. the minimum existence limit for the labourer, below which limit the supply of labour-power will simply not be maintained, but will be in a crippled condition and will tend to die out. If the price of labour-power fall to this level, it will, of course, be below the value; if the price fall below even this level, then the difference between such price and the minimum existence limit must imperatively be made up somehow in order to prevent the labour-power's extinction.

Between the two levels (the full value of labour-power and the minimum existence limit) there is a considerable playground for fluctuations of the price of labour-power. But the value of labour-power depends upon the value of the labourer's means of subsistence; and as the labour-time necessary to produce these things varies, so the value of labour-power varies also.

When labour-power has been sold, its use-value does not immediately pass into the possession of the buyer. Its value is fixed before its sale by the labour-time previously expended upon it; its use-value is its own subsequent consumption, or expenditure as labour.

In all capitalist countries the labourer gives credit to the capitalist; he advances the use-value, or allows the capitalist to consume his labour-power before receiving the price of it. But we shall assume that the capitalist pays the labourer for his labour-power immediately on buying it, and we shall assume that the capitalist pays full value for everything —labour-power, raw materials, etc.

Before leaving the sphere of circulation, where the labour-power is bought and sold,[1] let us notice the superficial character of it, the smiling and sardonic irony of it. This fetish-

[1] The twentieth line on p. 195 of the Kerr edition is without the word "on." The passage should read: "sale and purchase of labour-power goes on."

bound sphere is the delightful domain of " Freedom, Equality, Property and Bentham." Freedom, because each acts as he " wills." Equality, because they meet each other " equally " as commodity owners, exchanging " equivalent for equivalent."[1] Property, because each (the capitalist and the labourer) operates only with what strictly " belongs to him." And Bentham, because each acts only selfishly ; and yet they thereby carry out a divine " harmony," and further their mutual gain, and advance " the common weal " or welfare of everybody !

To sum up, then : the " transformation of money into capital " occurs by means of an alteration in money's motion within the sphere of circulation. Money abandons its characteristic motion as currency, and takes upon itself the strange, new, and contradictory motion of circulation. But the reason for this new motion of money, or the cause which actuates this peculiar process or this value-transit motion, is nothing but an increase of the value's quantity which accrues somewhere during its transit. But this increase cannot take place in the circulation. And yet it cannot take place without the circulation. Neither can it take place through an ordinary commodity acting as the medium of the circulation. Nor can it take place by any mere production, although it must be somehow connected with value production. And so, because this mere production fails us, we are forced on to the consideration of " consumption." Here, at last, we find the origin of surplus-value. The increase of capital can only take place through the eating up, or " consumption," of that peculiar commodity which, by being consumed or used up, creates value, and actually creates more value than the quantity of its own value. The increase of capital can only take place by means of the purchase and consumption of labour-power, which costs a pound to upkeep while it produces a number of pounds. And thus it is that money is transformed into capital, and that the exploitation of the working class comes about by means of capital, viz. by money's purchasing for

[1] Note that Marx is not here declaring the commercial exchange of " equivalents " ; he is only telling us what is the face of the market, although, of course, outside this bitingly satirical paragraph, Marx is assuming scientifically (what the capitalist always pretends) that the pound's worth exchanges for the pound.

" consumption " that very peculiar commodity, labour-power. Converting money into capital really means impregnating the value with the life strength of the working class. In other words, the " transformation of money into capital " merely consists of putting value into the way of getting fat upon working-class exploitation.

PART III

"THE PRODUCTION OF ABSOLUTE SURPLUS-VALUE"

THE capitalist exploitation of the working class is the "consumption" of the working-class's labour-power. But this "consumption" can only take place where the labour-power functions, and that is in capitalistic industry.

In other words, the capitalist exploitation of the working class is the production of surplus-value, effected by the capitalist "consumption" of labour-power, which production and "consumption" can only happen in the capitalistic labour-process. This capitalistic labour-process is a modification of that older labour-process, the production of use-values, which is indispensable to human existence. Therefore this Part III of Marx's opens by analysing that humanly-necessary process, "The Labour Process, or the Production of Use-Value."

But the whole part consists of the following five chapters: Chapter VII, in which Marx shows the difference between production and capitalist production; Chapter VIII, where Marx shows those two separate portions of capital, to wit, that vivifying capital (the purchased labour-power) which is to be "consumed," and that absorbing capital (the means of production) which is to absorb the labour-power consumption; Chapter IX, where he shows the "Rate of Surplus-Value" to be the ratio between labour-power's gratuitous exploitation and the expense of labour-power's upkeep; Chapter X, on "The Working Day," where he exhibits the "progressive" spirit of exploitation and the progressive degrees of exploitation in English history; and

Chapter XI, wherein he shows the relation between the "rate" and the "mass" of surplus-value.

Chapters VII, VIII and IX are introductory to Chapter X, which Chapter X contains the actual examples of "absolute surplus-value" production. Chapter VII shows the difference between the production of use-values and the production of surplus-value, and shows that the surplus-value is only embodied surplus-labour. Chapter VIII shows the difference between the two different parts of capital, the "constant" part and the "variable" part, or the part whose magnitude remains constant and the part which increases. Chapter IX shows the relation of the surplus-value to the variable-capital, from which variable-capital the surplus-value arises. It shows this relation in three ways, viz. by means of the value, by means of the labour-time, and by means of the product. And Chapter X gives actual instances of the absolute surplus-labour extracted from the working class. Chapter XI constitutes an addendum to Part III, and sums up the scientific aspect of the matter mathematically; it shows that the "mass" of the surplus-value depends upon definite factors, viz. the "rate" of the surplus-value (rate of labour-power exploitation) and the "mass" of the variable capital (total value of all the exploited labour-powers), which factors, when multiplied together, give the "mass" of the surplus-value produced.

"The Labour-Process, or the Production of Use-Value"

In the labour-process man both opposes, and co-operates with, Nature. Man is a natural embodiment of force,[1]

[1] Marx's words are set down as: "He (man) opposes himself to Nature as one of her own forces, setting in motion arms and legs, head and hands, the natural forces of his body. . . ." This is not correct. The human body contains force or energy, as also does any part of the body. But that is all; the truth is only that man's body is a depository of force—*not* that it is force. It is pretty certain that Marx sometimes had this little erroneous notion. On p. 149 (p. 190 of the Kerr ed.) Marx is made to tell us that, by working, "human muscle, nerve, brain, etc.," are wasted. On p. 11, and again on p. 42 (pp. 51 and 82 in Kerr's), Marx characterizes human labour as an "expenditure of human brains, nerves and muscles." On p. 536 (p. 578 of Kerr's ed.) Marx tells us of "transformations of organized

and as such natural product he appropriates other products from Nature and modifies them to his own uses. But this is not only opposing Nature; it is also co-operating with Nature. And thereby man industrially produces use-values which he had previously constructed mentally, or previously produced in his imagination.

The elements or factors of the labour-process are three: first, the human strength or labour-power;[1] second, the subject of labour; and third, the instruments of labour.

The subject of labour may be a purely natural product or it may be what we call a raw material. Such things as caught fish for the cook, sawn planks for the carpenter, or iron pigs for the moulder, are not only subjects of labour; they are also raw or unfinished materials, because they have been prepared for industry by previous labour. But such things as uncaught fish in the seas, untouched timber in the virgin forest, or metal in the earth's mineral rocks (which fish, timber, and metal are to be "extracted"), are only subjects of labour. These things are subjects of labour because man embodies his labour into them by appropriating them from Nature.

The instruments of labour are those things which, as the conductors of his activities, man interposes between himself and the subject of his labour. The sticks and stones which man found produced spontaneously by Nature, and which

bodily matter into motion." In a footnote at this part Marx also slightly misreads a passage from Grove. Grove speaks of the chemical changes which labour brings about in the labourer's body, implying, of course, the dissipation of the man's body particles. But Marx has taken this implication as though the dissipation of the particles were the transformation of these particles into force—an impossibility. And yet Marx correctly states the case in a footnote on p. 198 (p. 239 of Kerr's ed.), where he splendidly tells us: "Creation of value is transformation of labour-power into labour. Labour-power itself is energy transferred to a human organism by means of nourishing matter."

[1] Marx's text says: "the personal activity of man" or "work itself"; but this is not quite correct. Aveling has copied this little inaccuracy in his otherwise excellent diagram on p. 43 of *The Student's Marx*. The truth of the matter is that the factors of the labour-process are realities whose existence precedes the labour-process, so that (as such factors) they may enter into the process. But the "work itself," or the "activity," is a phase of, rather than a factor of, the labour-process itself—which "labour-process" is correctly referred to by Marx at the bottom of p. 163 (p. 204 Kerr's ed.) as "human action." Moreover, in Chapter VIII (S.S. ed., p. 192; Kerr's ed., p. 233) Marx correctly refers back to the factors of the labour-process as "means of production and labour-*power*."

constitute the first tools used by him, were his instruments of labour. Such, too, were those things which he afterwards began to make—the bow and arrow, the axes of stone, bronze and iron, etc. Leaving aside natural fruits, etc. (in obtaining which man's arms, hands, legs, etc., were his instruments), the first products of man were his instruments of labour. Wherever man's labour attained to any degree of proficiency, he needed, and therefore produced, special instruments of labour. Amongst man's instruments of labour are included domesticated animals, roads, canals, utensils, work-places, and in more ways than one even the earth itself. (Besides being the "universal subject of labour" and man's "first larder," the earth is man's first tool-house and his chief instrument in agriculture; it is also his *locus standi*, by affording him a place or sphere for his activities.)

By means of the instruments of his labour man effects an alteration in products of Nature, and thus adapts the subjects of his labour [1] to human uses. Mainly, the means of production consist of the subjects of labour, together with the instruments of labour. But there are other means of production, viz. those other materials which only serve as auxiliary materials, such as lubricating oils, dyestuffs, hay for horses, coal for engines, etc.

Sometimes a labour product serves as raw material in its own reproduction, such as wheat for seed-sowing, or coal under the boiler of a coal-mine engine, etc.; and sometimes a product may figure as an instrument of labour and also as a raw material at the same time, as in the fattening of cattle, where the lean cattle are the raw material and also instruments for manure production. A labour product may be only fit for raw material, as cotton or silk or twisted threads, or it may be fit for "individual consumption" and yet be used as raw material, as the edible grapes which are used for wine-making.

Means of production are generally of no use, however, unless they be consumed in the labour-process. Labour is a process of consuming the means of production; and such

[1] Instead of the two senseless words "far less," on the bottom line of p. 160, there should be the word "process." (Kerr's edition is correct.)

consumption is called productive consumption,[1] in contradistinction to that individual consumption by means of which the individual may live. But whether the labour-process use the products of Nature or the products of previous labour, the labour-process is a Nature-imposed necessity, necessary to the existence of mankind.

We will now turn to the capitalist. In the market the capitalist bought the necessaries for the labour-process; he bought all the objective factors, or means of production, and he bought the subjective factor, the labour-power. In the labour-process the capitalist consumes the labour-power by setting it to consume the means of production. The fact that the labourer works for the capitalist instead of working for himself does not alter the character of the mere labour-process. And, at first, the capitalist must accept the labour-process as already established and ready to hand; it is only after the establishment of capitalist industry that the capitalist can then alter the process and subject the labourer to the needs of capital.

The "labourer works under the control of the capitalist to whom his labour belongs"; and "the product is the property of the capitalist and not that of the labourer, its immediate producer."[2] When the capitalist has bought the labour-power, it is a use-value that belongs to him; and when the labourer gives his labour to the capitalist, he merely allows the capitalist to use that use-value. When the capitalist purchases labour-power, he does this in order to afterwards combine labour, "as a living ferment," with

[1] The first word of the twenty-second line of p. 204 in Kerr's ed. should be "former," not "farmer." Also, on the seventh line of the next page (p. 205), there is the wrong word "one" instead of "on." The passage should read: "his labour on one side"; and the word "first" is missing on the fifth line from the bottom of the page. The phrase ought to read: "in the first stick," and NOT "in the stick."

[2] *Capital* (S.S. ed., p. 165; Kerr ed., p. 206). Daniel De Leon's pamphlet, *Marx on Mallock*, contains important errors on these two economic points. On p. 25 and elsewhere he wrongly gives us to understand that, according to Marx, the working class is "in control" of industry; and on p. 30 he wrongly says that the capitalist's activity "transfers wealth from those to whom it belongs to those to whom it does not belong," like "the pickpocket's activity." On both these points Daniel De Leon was not only wrong economically, but, unwittingly and unintentionally, he was flatly contradicting Marx.

the dead or objective means of production, and thus to convert the two into a new product. And since this process goes on only between the belongings of the capitalist (only between the dead or objective things and the living power bought by the capitalist), the process also belongs to him, as do likewise its results.

"The Production of Surplus-Value"

Use-values are produced in capitalist industry only because they are the depositories of value.[1] The capitalist's object in production is to produce a commodity, i.e. a use-value that carries a value; not only so, but to produce a commodity whose value is greater than the value of those things, the means of production and labour-power bought by him and used up in its production. In other words, the capitalist's aim in the productive process is a "surplus-value."

Marx goes on to show the conversion of the labour-process into the production-of-commodities process, which is the combination of the labour-process with value production. The commodity form of production is simply the production of value at the same time, and with the same labour, as the production of the use-value.

Just as all the factors of the labour-process enter into the industrial production of use-values; so, in the production of value, the pre-existing values, in the consumed raw materials and instruments of labour, are factors of the total value of the new commodities.

Then, by means of a supposed case, Marx shows us the difference between production and capitalist production. Incidentally he also shows us the strongest proof of the capitalist's not really paying for the labour of production, but only paying for the labour-power therein consumed.

Marx shows us how surplus-value is produced; and he

[1] On the ninth line of p. 166 (p. 207 in Kerr's) Marx's text says "exchange-value"; but this is wrong. On this page Marx mentions "value" nine times correctly and once incorrectly as "exchange-value." But this is probably an error on the part of the translator, because J. B.'s rendition reads correctly thus: "Commodities are only produced because they are the material substrata of value, or value-bearers" (*The Theory of Value*, p. 146).

proves that the only way in which the capitalist could be said to pay for labour is this: that he pays for a part of the labour performed and leaves the other part unpaid for. Marx takes us behind the capitalist trick, which trick is presumably worked on the vaunted "value for value" basis. He presents to us the famous "labour-payment"-and-surplus-value "trick" actually operating—the capitalist's trick, viz., of getting more value out of the labour-process than he throws into it! And it becomes evident that, when the labourer has performed the labour corresponding to the value in the labourer's payment, the labourer is not by any means yet finished with!

If the production of 10 lb. of cotton embody 20 hours of labour, and if this be the same amount of labour as is embodied by producing the gold of a 10s. piece, then the value of 10 lb. of cotton will be 10s., and the rate of the value embodied by the labour will be 6d. per hour. Suppose that 10 lb. of such produced cotton, worth 10s., are to be turned into 10 lb. of yarn by the labour-process of spinning. Suppose that, besides the 10s. worth of cotton to be consumed, there will be a wear and tear of the spindle and other instruments to the extent of 2s. Suppose the daily value of labour-power (the cost of the labourer's living) to be 3s.; and suppose the spinning of the yarn to occupy six hours. Then in the 10 lb. of yarn there will be a value of 15s.; viz. 10s. for the cotton used up, 2s. for depreciation of instruments, and 3s. for six hours' embodied spinning labour (i.e. of the same amount of labour as is embodied in 3s. worth of gold).

So then, the value of the 10 lb. of yarn being 15s. (or, what is the same thing, being the same extent of labour as produces gold worth 15s.), the total price of 15s., or 1s. 6d. per lb., is a fair price for the yarn. But such a result as this is merely the same total amount as the pre-existing values. It shows no increase; there is no surplus-value for the capitalist.

Hereupon Marx parades all the pretentious claims of "vulgar economy" which are invented for the defence of "surplus-value":—

The capitalist's money was advanced with the intention

of making more money. But the best of intentions are no claim upon any surplus-value. The capitalist threatens that he will not manufacture in future, but will buy his yarn ready-made. But neither does this entitle him to receive surplus-value; and, if the capitalists as a class knock off their "producing," how shall he buy his ready-made yarn? The capitalist has practised "abstinence" by not destroying his value. But this is no claim upon surplus-value; the natural result of such "abstinence" is that he still possesses his value. The yarn is of no personal use to him; he "produced" it as value for sale. But this is no valid title to surplus-value; if he should manage to get what is useful to him, in exchange for what is not useful, that is all he ought to expect from fair exchange. Labourers cannot labour without the means of labouring, which the capitalist has supplied; and, as society is chiefly composed of poor people, the capitalist has rendered service to society, and, in addition, has supplied the labourer with the means of subsistence. But such "service" is no claim to surplus-value; the labourer has "served him" with yarn, as an equivalent "service," in place of the cotton; and besides, this talk about "service to society" is irrelevant, because all "service" only means use-value, and the subject under discussion is value.[1] Finally, has not the capitalist himself laboured at overlooking and superintending? And does not this labour also create value? But neither is there here any valid claim to surplus-value, for the implications are untruthful; overseering or superintending labourers is not being one of the labourers themselves, and taking care that the labourers create value is not creating that value.[2]

Nevertheless, whether these ridiculous and laughable preachments of the paid professors of political economy pass as valid claims or not, the capitalist is himself a practical man, and laughs at them; he knows perfectly well what he

[1] Aveling seems to have misunderstood this last "vulgar" plea. On p. 46 he says: "The capitalist has given his time. But the labourer has given his." At all events, Marx does not mention the "time" of either the capitalist or the labourer.

[2] On the first and twenty-eighth lines of this page (p. 174; second and twenty-ninth lines of p. 215 in Kerr's) the wrong term "exchange-value" occurs instead of the correct term "value."

is after. Let us therefore now see the social facts which form the real basis of surplus-value—which real facts are very carefully neglected (very carefully lost in a kind of deliberate oblivion) by the cunning mob of mercenary professors.

These social facts are three in number. First, the value IN labour-power, and the value which is to be produced BY labour-power, are two vastly different quantities; so that labour-power is not merely the source of value, but the value which it produces is more than the value which it contains.[1] Second, according to the laws of commodity exchange, the seller of labour-power is entitled to realize the value of it, and the buyer of the labour-power is entitled to realize the use-value of it (consume it as a use-value); and, of course, this results in the bigger value. Third, the circumstance, that labour-power-consumption happens to result in a bigger value than the labour-power's own value, is very good luck for the buyer of labour-power; but, according to the so-called "eternal laws" of commodity exchange, it is no injury to the seller of labour-power, because (in all commodity exchanges) the sellers are only supposed to realize the values and the buyers are entitled to realize the use-values.[2]

Such social facts being the real sanction, or basis, for surplus-value, the labourer finds means of labouring, provided by the capitalist, not for the six hours (half a day), but for the twelve hours (the whole day). Consequently instead of 10 lb. of cotton, he finds that the capitalist has carefully provided 20 lb. of cotton for spinning (by an absolute extension of the labour-time) into 20 lb. of yarn.

So let us now analyse the value of this result, the resulting 20 lb. of yarn, as we previously did with the 10 lb. of yarn. We saw that the 10 lb. of yarn had a

[1] Aveling, on his p. 46, has two errors in one sentence. He says: "The former cost determines the exchange-value of the labour-power; the latter cost determines its use-value." But instead of that doubly-wrong sentence he should have written to the effect that "the labour cost of maintaining labour-power determines the value of the labour-power; the daily expenditure of labour-power IS its use-value."

[2] This point was badly missed by Valkenburgh in *The Radical Review*, No. 3, p. 313.

value of 15s., therefore the 20 lb. of yarn will have a value of 30s. Just as the 15s. worth of value in the 10 lb. of yarn consisted of so much for cotton, so much for wear and tear of the spindle, etc., and so much for embodied labour (equal to so much labour of gold production); so now the 30s. worth of value in the 20 lb. of yarn consists of 20s. for the cotton used up, 4s. for wear and tear of the spindle, etc., and 6s. for twelve hours' embodied spinning-labour (the same amount of labour as is embodied in 6s. worth of gold).

A total value, then, of 30s. But the capitalist threw only the equivalent of 27s. worth of this value into the production process, viz. 20s. worth of cotton, 4s. worth of spindle, etc., and 3s. worth of labour-power.

And so, at last, the trick works. An absolute surplus-value of 3s. appears in the product. The capitalist now possesses 30s. worth of yarn instead of the 27s. worth of other values which he previously possessed. And thus, incidentally, we have the strongest proof of the fact that the capitalist pays only for the labour-power; he could not be paying for the labour excepting in a partial way, because here is 3s. worth of embodied labour which he gets for nothing.

But the chief thing we can see now is the difference between production and capitalist production. Production means the production of humanity's living; it is the labour-process, a Nature-imposed necessity, which is the indispensable condition of human existence; it is the appropriation and modification of natural products by labour, and thus the adaptation of natural realities to human uses. (Commodity production is a combination of this labour-process with value production; and commodity production constitutes an intermediate stage between production and capitalist production.) Capitalist production is a combination of the nature-imposed labour-process with the production of surplus-value; in other words, it is a combination in which the worker has ceased to be in control and in which the product has ceased to belong to him—it is the capitalist exploitation of the working class, and the consequent embodiment of surplus-value in commodities.

Marx goes on to show also that it makes no difference to the fact of surplus-value whether unskilled labour or skilled labour be considered. Skilled labour will produce more value than unskilled labour in a given time ; but (just as with unskilled labour) the skilled labour will produce a surplus-value by extension of the labour-time past the point when the labourer has replaced the value of his own labour-power.[1]

"Constant Capital and Variable Capital"

The next introductory chapter of Marx's Part III is his Chapter VIII, entitled "Constant Capital and Variable Capital." By Marx's preceding Chapter VII we have already seen the factors of the labour-process to be means of production and labour-power. In this next following chapter (Chapter VIII) we see the very same factors presented in a different capacity, viz. as the separate component parts of an industrial capital. All the different factors figure here as values. Of course, these factors (these means of production and labour-power) are just as necessary in the capitalist labour-process as they were previously in the natural or simple labour-process ; but, in addition to their function as factors in the production of use-values, they also function, in capitalist production, as component parts of the invested capital value. Just as, in the labour-process, the factors of the process were divided into means of production and labour-power ; so here, in capitalist production, these means of production and labour-power constitute the divisional forms of the capital—the means of production figuring as that capital-value which Marx names the constant part of capital (or "constant capital" for short), and the labour-power figuring as that capital-value which Marx names the variable part of capital (or "variable capital" for short).

[1] In the last sentence on p. 48 of *The Student's Marx* there occurs the wrong word "quantitatively" instead of the correct word "qualitatively." The correct sense is that "Whether the labour is skilled or unskilled does not affect the question. . . . That portion of his labour by which a skilled workman replaces the value of his own labour-power does not differ, qualitatively, from that portion by which he creates surplus-value."

Marx calls the means-of-production value the "constant capital" because, when the means of production are consumed in industry, the value[1] of them is not lost, but is transferred into the new products, and becomes a constituent part of the value of these new products. For example, when the leather, grindery, threads, wax, etc., are consumed by the useful labour of producing boots, the value of these consumed things is thereby transferred into the new boots, so as to constitute a portion of the new-boots' value. Exactly the same reasoning applies also to the value[2] of consumed instruments of labour, such as vices, lasts, benches, workshops, knives, awls, machines, etc. The labour of producing these boot-maker's necessaries forms part of the labour required for the production of boots; therefore whatever these necessaries happen to cost must of necessity enter into the cost of the boots.[3] But (and here comes the reason why such capital-value is the "constant" part of capital) there cannot be any more value transferred from the means of production than what actually exists in the means of production. If the means of production contain £80 worth of value, then there can only be £80 worth of value transferred from them; there cannot be £90 worth of value transferred from them, because this amount of value does not exist there in them.

[1] In the text, at the ninth line from the bottom of p. 183 (twenty-ninth line of p. 224 of Kerr's), appears the erroneous term "exchange-value" instead of the correct term "value."

[2] On the eleventh line of p. 185 (p. 226 in Kerr's) Marx has "exchange-value" instead of "value." The passage should read: "In the labour-process, the value of the means of production is transferred to the product only in so far as they lose their value along with their use-value." This is plainly seen in the next sentence, which correctly says: "They give up to the product that value alone which they themselves lose as means of production." A similar oversight occurs lower down the same page, viz. the third line from the bottom (in Kerr's ed. the third line from the bottom of p. 226), where the value of an instrument of production is wrongly referred to as "exchange-value." Also on the twenty-fifth line of p. 186 (twenty-fifth line of p. 227 in Kerr's) the term "exchange-value" is again wrongly used instead of the correct term "value."

[3] On the ninth line of p. 190 (p. 231 in Kerr's) the wrong term "exchange-value" again appears instead of the term "value." Marx is telling us that "in the value of the product there is a reappearance of the value of the means of production, but there is, strictly speaking, no reproduction of that value." And his next sentence ought to say: "That which is produced is a new use-value in which the old value reappears."

Marx calls the labour-power value the " variable part of capital," because the industrial consumption of the labour-power (and the consequent destruction of its value) results in a bigger value than what is destroyed. In other words, Marx calls it " variable capital," because the value produced by the labour-power is more value than what is contained in the labour-power itself—and therefore, to the capitalist, the value invested in labour-power is a variable magnitude.

"The Rate of Surplus-Value"

Chapter IX is the third and last introductory chapter of Marx's Part III, entitled " The Rate of Surplus-Value." Previously, Marx has told us two things separately that are now to be seen in relation, the one to the other. He has previously shown us what the " surplus-value " is, and he has also shown us what the " variable capital " is. And now, in his Chapter IX, he shows us the relation of the one to the other ; he shows us the proportional relation of the " surplus-value " to the " variable capital "—that is, he shows us the mathematical relation of " surplus-value " to that part of the capital which the " surplus-value " arises from ; and this, of course, means that he shows us the ratio of the one to the other, or, expressed shortly, the " rate of the surplus-value."

First, Marx mentally separates the new value from the old value ; he distinguishes between the old value, which has only been transferred (out of the means of production) into the new commodity, and the newly created value, which exists for the first time in the new commodity. This new value is divisible into two parts ; viz. the part which is equivalent to the " variable capital " (assumed as advanced in the purchase of labour-power), and the " surplus-value " (which represents the extent to which that " variable capital," in the form of labour-power, has been exploited) —in other words, the new value in a new commodity is divisible into the invested and replaced value of labour-power, and the value increase.

As is the case with all mathematical ratios, the ratio of the surplus-value to the variable capital is shown in the form of a fraction, as $\frac{\text{surplus-value}}{\text{variable capital}}$. If we represent the surplus-value by s, and represent the variable capital by v,[1] then the fraction called "s over v," or $\frac{s}{v}$, will represent the rate of the "s," or surplus-value. Take two concrete simple instances. If the "s" be a magnitude of 1, and the "v" be a magnitude of 2, then the ratio of the s to the v will be as 1 to 2, or as 1 over 2, or $\frac{1}{2}$, or one-half. Again, if the s be a magnitude of 100, and the v also be a magnitude of 100, then the ratio of the s to the v $\left(\frac{s}{v}\right)$ will be as 100 to 100, or cent. per cent., or will be as 100 over 100, or $\frac{100}{100}$ (100 per cent.). The relative increase, then, of the variable capital (i.e. the relative extent to which the labour-power produces value over and above the magnitude of its own value), or the comparative magnitude of the surplus-value, Marx calls the "rate of surplus-value."[2]

That part of the working day during which the labourer produces the value of his living Marx calls the "necessary labour-time." It is such "necessary labour-time" for two reasons: it is "necessary" in order that the labourer

[1] Edward Aveling, on his p. 51 (*The Student's Marx*), seems to see a difficulty where none exists. He says that "Students often use v for value." The important thing in this part, however, is not what students may or may not do, but only what Marx does with the algebraic letters. It is generally unavoidable that the same letters will be used with different meanings in different quantitative analyses, but this does not matter in the least so long as they are consistent in the separate mathematical operations. Take, for example, the capital letter "C." This letter was used by Marx in Chapter III to represent commodities in the circulation formulæ; but here, in his Chapter IX, he uses this big "C" to represent the total magnitude of an industrial capital, just as he also uses "C′" to represent the increased magnitude of the same capital. And, in this Chapter IX of his, Marx uses "v" for the variable capital. Subsequently, in his Chapter XI, Marx uses a capital "V" to represent the totality of variable capital, or the total value of all the labour-powers purchased and used by an individual capital. Therefore if the Marxian student should try to attach the fixed meaning of "value" to the capital letter V (as advised by Aveling), he will be upset again before proceeding very far, because, in the mathematical presentation of this other matter (the subject matter of Marx's Chapter XI), the capital V has quite another meaning.

[2] After this expression on the twenty-ninth line of p. 198, there should be a little "2" referring to the second footnote. (Kerr's edition is correct.)

may live,[1] and it is also "necessary" in order that the capitalist class may live upon the "surplus-labour" of the labourer. It is important to think of surplus-value as a congelation of surplus-labour-time, in order to clearly comprehend it, just as it is similarly important to think of value[2] as a congelation of labour-time. Marx's "rate of surplus-value" exactly expresses the relative degree to which the capitalist exploits the labourer; but the "rate of profit," or the usual style of comparing the surplus-value (viz. with the total capital), does not express it. The total capital (C) includes the "constant capital" (c) as well as the "variable capital" (v); and the usual *bourgeois* expression of the increase is $\frac{s}{C}$ $\left(\text{which is equal to } \frac{s}{c+v}\right)$[3] instead of $\frac{s}{v}$. Suppose the constant capital to be 410, the variable capital to be 90, and the surplus-value to be 90; then the usual $\frac{s}{C}$ will be a ratio of $\frac{90}{500}$ instead[3] of $\frac{90}{90}$, or will be softened down to a ratio of only 18 per cent. instead of the real exploitation of 100 per cent.

But let us just notice why it is important to understand the exploitation of labour-power apart from the magnitude of that capital which is used for absorbing the exploited or consumed labour-power. The rate of surplus-value is independent of the magnitude of constant capital, because the added new value (or, what is the same thing, the amount of new labour absorbed in the labour-process by the means of production) is quite independent of how big or how

[1] Marx's text says: "Necessary as regards the labourer." But the real meaning is: "Necessary as regards the existence of the labourer" (p. 199, S.S.; p. 240, Kerr's ed.).

[2] On the eleventh line of p. 200 (sixth line of p. 241 in Kerr's) the word "it" should be replaced by the two words "the value."

[3] The Kerr edition has three errors on the ninth line of p. 242. It has the wrong fraction $\frac{s}{c}$ instead of the correct $\frac{s}{C}$; it has the wrong fraction $\frac{s}{cv}$ instead of the correct fraction $\frac{s}{c+v}$; and it has the wrong fraction $\frac{90}{90}$ instead of the correct fraction $\frac{90}{500}$. This last wrong fraction ($\frac{90}{90}$) is copied from a misprint on the eleventh line of p. 201 in the S.S. ed. At the twenty-seventh line of p. 202 of the S.S. ed. a plus mark is missing. The passage should read: ". . . which = £52 variable + £80 surplus."

little might be the capital which absorbs the new value. In other words, the quantity of new value (including the surplus-value) added to any capital by a working day is a consideration that is quite distinct from that other consideration—the size of such absorbing capital.

Suppose that 6s. represent the amount of value produced by a day's labour; then 6s. will be the exact value added to the capitalist's property, no matter whether that property be a pound's worth, a thousand pounds' worth, or ten million pounds' worth. Be the capitalist's property (the "constant capital") big or very big or even very little, it is all the same in this respect; the value that represents a day's labour is all that can be added to it in one working day. Whether the property (the constant part of the capital) represent the previous product of one day's labour, two hundred days' labour, or even three or four million days' labour, in either case all that can be added to it in one more working day is one more day's labour.

Similarly with the surplus-value, which is only a part of that newly added value. The rate of surplus-value (or the relation of the "surplus-labour" to the "necessary labour") is quite independent of the size of the total capital concerned in the process. If 3s. be expended in the purchase of labour-power, and if during the working day that labour-power be consumed to such extent that the capitalist's value, represented by the purchased labour-power, be increased 100 per cent.—well, there you are; the value expended in the purchase of labour-power will have returned to the owner with a 100 per cent. increase, and the rate of exploitation (or rate of surplus-value) will be 100 per cent.

And it does not alter the case one iota what amount of "constant capital" may have been handled in the process as an absorbent. The increase of the outlay upon labour-power will be the same, no matter whether that increase be added into a shilling's worth of leather or into a thousand pounds' worth of silk or even into millions of pounds' worth of shipping machinery. In either case the advance of 3s. for the labour-power will lead to the result of twice times

3s. being added to the "constant capital" (or added to the labour-absorbing property of the capitalist).

"Representation of the Parts, $c + v + s$, by Proportional Quantities of the Commodity"

Marx points out that the component parts of the value of an output can be represented by proportional parts of the output itself. (Marx illustrates this fact with 20 lb. of yarn of the value of 30s. But, since the set of figures used are quite arbitrary, it may be an advantage to illustrate it with another set of figures also. Let us therefore here take 100 oz. of yarn of the value of 100 pence.) Suppose 100 oz. of yarn to be worth 100 pence; suppose the value of the cotton,[1] used up in spinning the yarn, to be 70 pence, and of the wear and tear of the spindle, etc., to be 10 pence; then the new value embodied by spinning the cotton into yarn will be 20 pence. And (as half of the new value is to be surplus-value) the value of the labour-power used up will be 10 pence, and the surplus-value also will be 10 pence. Now these different component parts of the yarn's value can be represented by proportional quantities of the yarn itself. Seventy (70) oz. of the yarn at a penny an ounce will represent the value of 70 pence in the cotton used up;[2] 10 oz. of the yarn will represent the value of 10 pence in the spindle, etc., used up. So that 80 oz. of the yarn will represent the total value, 80 pence, for the means of production used up;[3] and the remaining 20 oz. of yarn will represent the new value of 20 pence produced by the labour of spinning the cotton into yarn.[4] And (as this new

[1] On the sixteenth line of p. 204 (nineteenth line of p. 245, Kerr's), instead of the wrong sense, "the whole of the cotton," it should read: "the whole value of the cotton."

[2] On the bottom line of Aveling's p. 52 (*The Student's Marx*) the wrong fraction $\frac{8}{9}$ ought to be $\frac{4}{5}$.

[3] On the twenty-fourth line of p. 204 (twenty-eighth line of p. 245, Kerr's), instead of the misleading word "contain," read the word "represent"; on the fourth line from the bottom of p. 204 (first line of p. 246 in Kerr's), instead of the word "connection," read the more suitable word "representation."

[4] On the twenty-fifth line of p. 205 (twenty-ninth line of p. 246, Kerr's), instead of "the process itself," read "the spinning process itself."

value is to be half and half, value of the labour-power and surplus-value) 10 oz. of yarn will represent the value of 10 pence in the consumed labour-power,[1] and 10 oz. of yarn will represent 10 pence of surplus-value.

It will be seen from this representation of the component parts of a commodity's value that a portion of the new commodity accounts for the previous labour of producing the raw materials, etc. But it will be also seen that none of this previous labour (of producing the cotton and spindle) could be honestly reckoned as part of the new labour (of spinning). Yet see the ridiculous "reckoning" in the shallow trick of Nassau W. Senior! Senior pretended that the value of the means of production is reproduced[2] in part of the working day, and that new value is produced only in the remaining part of the working day! Senior declared that, in a working day of 11½ hours, 10 hours are taken up in replacing the consumed capital, which leaves only 1½ hours in which to produce the new value!

The truth of the matter is simply this: that the labourer only transfers the means-of-production value into the new commodity. The spinner does not create the value of the cotton and spindle which he spins with; he only transfers their passing value into the yarn. But he so transfers the pre-existing value of means of production all the time he is working, and at the same time, and all the time too, he also creates new value in addition.[3]

But, by means of his very shallow trick, Professor Senior made it falsely appear that the capitalist's profit was wholly produced in the last hour of the working day! and that, therefore, the proposed reduction of the working day from 11½ hours to 10 hours would mean the utter ruination of both capitalist and labourer!

[1] On the sixteenth line of p. 205 (twentieth line of p. 246 in Kerr's) the word "power" is missed. The passage ought to read: "value of the labour-power consumed."

[2] On the eleventh line of p. 250, in Kerr's edition, read "reproducing" instead of the wrong word "producing."

[3] On the eleventh line from the bottom of p. 210 (seventeenth line from the bottom of p. 251 in Kerr's) Marx's text is rather misleading. The phrase, "the quality of his labour," should read: "the concrete quality of his labour."

"Surplus Produce"

That quantity of the output, or that quantity of new commodity which represents the surplus-value Marx calls the "surplus produce." The labour-time represented by the "surplus produce" and the "necessary" labour-time (in which the labourer replaces the value of his labour-power) together constitute the whole time of the working day.

"The Working Day"

Chapter X is the great chapter of Marx's Part III, entitled "The Working Day." And a tremendous chapter it is, too. This Chapter X of Marx's presents the actual exploitation of the working class. It lights up the absolute extension of the labourer's working time and the classic production of Absolute Surplus-Value; it gives historic and official details which exemplify and amply prove all that has been previously advanced about the increase of capital being simply the surplus-labour of the exploited working class, all the prevision of the introductory chapters being corroborated to the full over and over again.

The limits of the working day are something very elastic.[1] On the one hand, the minimum limit of the working day must be something more than the "necessary labour" (which produces the value of the labourer's own living), because the "surplus-labour" is the reason for his being employed by capital. On the other hand, the maximum limit of the working day must be well within the 24 hours, because the labourer must feed and wash himself, and he must sleep and dress. Beyond these merely physical limitations there are certain moral and social limitations corresponding to the contemporary stage of social development.

[1] On the sixth line of p. 257, in Kerr's edition, alter the word "labour" to read "labourer." At the end of the third line of p. 216, in S.S. ed., put a little "1," referring to the first footnote; and at the end of the eighteenth line put a little "4," referring to the fourth footnote. On the sixth line of p. 55 in *The Student's Marx* alter the word "requires" to the correct word "acquires"; and on the fifteenth line alter the word "whole" to the word "sole."

But all these elastic limitations, on one side, and the capitalist's right according to the laws of commodity exchanges (to get the full use of the labour-power which he buys) on the other side, have clashed; so that the determination of the working day's length, at given times, has been the phenomenal form of a class struggle between the working class and the capitalist class.

After indicating the working day's elastic limits and the consequent class struggle, Marx illuminates the greed of capital for the surplus-labour. If any economic professors should honestly believe that the surplus-value of capital is not the surplus-labour of the exploited working class, then the one great intellectual chance of their lives is to explain away the historic "greed for surplus-labour" which Marx so simply and so amply serves up for them in his tremendous Chapter X.

For his first example of "the Greed for Surplus-Labour" Marx takes the *corvée*, or surplus-labour, of the Danubian Principalities (where this feudal serfdom still obtained), on to which belated serfdom was engrafted "the civilized horrors[1] of overwork." Marx compares this greed of the Danubian *boyard* (or boss) for surplus-labour with the same greed in the English factories; and he does so because, in the Danubian *corvée*, the exploitation of surplus-labour has an independent form which is not easy to misunderstand. The serf peasant produces his own living in his own time, but he must work for the *boyard* on other days—which other days are not mixed up with his own working time, nor disguised in any way: there is no shame, no blush, no disguise; the surplus-labour stands forth in its purity. When we think of the low productiveness of the Danubian serf labour in comparison with the vastly higher productiveness of English factory labour, we can begin to appreciate the remarkable fact that there is more surplus-labour extracted where it (labour) is more productive than where it has the lower productiveness! And we can begin to appreciate the *bourgeois* professor's one great intellectual chance.

[1] On the seventh line of p. 219 (tenth line of p. 260 in Kerr's) appears the wrong term "exchange-value," instead of the correct term "value."

Marx gives details of the *corvée*, and then he gives details of the English factories. Factory inspectors, directly under the control of the Home Secretary, used to give regular half-yearly official reports and statistics as to the greed of capital for surplus-labour. Marx's display of quotations, from these inspectors and about the *corvée*, should be carefully read and studied.

Marx then takes examples of the industries not under the Factory Acts; and he gives authenticated details of the merciless exploitation of men, women and children for surplus-labour in various parts of the British Isles.[1]

By means of more reports and statistics Marx next illustrates the terrible greed for surplus-labour, or terrible working-class exploitation, in the British "Day and Night Work" and "The Relay System." It is a shocking narrative. It is probably one of those parts of Marx's work which incited a "vulgar" professor recently to declare that, in Marx's *Capital*, the terrible tale "loses nothing in the telling." Of course, Marx's statement is a scientific statement, and a scientific statement is never supposed to lose anything "in the telling." But the point of importance is that the details are all taken from official (and therefore reliable against the *bourgeois* themselves) sources.[2]

Then Marx proceeds to illustrate the march of *bourgeois* "progress." He proceeds to demonstrate the growth of the "greed for surplus-labour," or the more and more "progressive" exploitation of the working class. This he does by means of the history of the "Struggle for a Normal

[1] At the beginnings of the two bottom lines of p. 232 there are misprints: the second line from the bottom should start with "ing," so as to complete the word "bearing" which starts on the preceding line; the bottom line should start with "3 Soot," instead of "ot"—it is the first word of the third footnote, which wittily tells us of adulterated "soot" and legality. On the second line from the bottom of p. 233, a little "2" is missing from in front of the word "Report," which word starts the second footnote. On the tenth line from the bottom of p. 234 (third line from the bottom of p. 275 in Kerr's), the word "to" should stand after the word "or"; it should read: "to the season of the year, or to the amount . . ." On the sixteenth line of p. 238 a little "1," referring to the footnote, should be added after "labour-power." On the eleventh line of p. 240 a little "1" should be added after the words "pine and die."

[2] On the third line from the bottom of p. 242 there occurs the wrong word "wealth" instead of the correct word "health." On the sixteenth line of p. 246 (twenty-first line of p. 287 in Kerr's ed.), the word "are" is needed; it should read: "are as well as . . ."

Working Day" and the "Compulsory Laws for the Extension of the Working Day," tracing this historic movement or "progression," from the Middle of the fourteenth to the End of the seventeenth Centuries. Marx points out that there have been two opposite legal tendencies in England: first, from the fourteenth century, the tendency to legally enforce a longer working day; and second, in the nineteenth century, the tendency to legally enforce a shortened working day ("to prevent the coining of children's blood into capital"). The earlier tendency, besides increasing the working day itself, was accompanied by an increase in the number of working days in the year. "Protestantism, by changing almost all the traditional holidays into workdays, plays an important part in the genesis of capital" (S.S. ed., p. 261, footnote). In the eyes of capital "the labourer is nothing else, his whole life through, [but] labour-power . . . therefore all his disposable time is by Nature and law labour-time, to be devoted to the self-expansion of capital. . . . It (capital) higgles over a meal-time, incorporating it where possible with the process of production itself, so that food is given to the labourer as to a mere means of production, as coal supplied to the boiler, grease and oil to the machinery" (S.S. ed., pp. 249-50; Kerr ed., p. 291).[1]

Marx further proceeds to illuminate the "greed for surplus-labour" or working-class exploitation by means of the nineteenth century "Struggle for a Normal Working Day"—in which struggle figured the "English Factory Acts, 1833 to 1864." The "greed for surplus-labour" is here depicted by Marx at the unlovely and dreadful zenith of labour-time extension by means of a mass of authoritative and official data, and all of it absolutely reliable and

[1] The second sentence in the second paragraph on p. 252 (p. 293 in Kerr's) should read as follows: "For slave-trade, read labour market; for Kentucky and Virginia, read Ireland and the agricultural districts of England, Scotland and Wales; for Africa, read Germany." On the fourth line of p. 300, in Kerr's ed., the wrong word "to" appears instead of the correct word "and." On the thirteenth line of p. 259, in S.S. ed., there should be a little "2" after the word "labourers," referring to the second footnote. On p. 301 of the Kerr ed. the little "1" on the fifth line is wrongly placed; it should be on the first line, after the word "labourers." On the ninth line of p. 262, in the S.S. ed., a little "1" should follow the word "days," referring to the footnote (Kerr's edition is correct).

free from any suspicion. The petty meanness, the despicable dodgery and trickery, the roguery, the shifty and dirty evasions of even the governmental "law and order," [1] and the terribly heartless and shameless callousness towards human beings, on the part of capital, stand here (section 6 in Marx's Chapter X) revealed for all the world to see—stand here irrevocably revealed for none to ever contradict, and (consequently) for all the *bourgeois* professors in the world (in a most masterly fashion) to leave severely alone! The "greed for surplus-labour" was seen to be such a shocking reality that, even in the interests of capital itself, the Factory Acts had to step in and actually save the working class from destruction by excessive exploitation. Surplus-labour had been extracted under feudalism as enforced serf-labour; then, under early capitalism, it was more greedily extracted by progressively lengthening more and more the working day, by converting nearly all the traditional holidays (partly by means of taxes) into working days, by enlisting the labourer's wife and family into capitalist industry, and exploiting the whole lot of them—the labourer, his wife and his family, down to his poor helpless little infants ("young persons and children were worked all night, all day, or both night and day, *ad lib.*") [2] —exploiting them so outrageously and for such outrageously long hours as finally to cause the popular revulsion of feeling, in the second quarter of last century, which led to the legal limitation of hours for the working day. And with this greed for surplus-labour there was also evinced the most brutal disregard for the health of the operatives; [3] even for the health of the exploited little children. An

[1] On the twenty-third line of p. 276 (second line of p. 318 in Kerr's ed.) the wrong year, "1884," appears instead of the correct year, "1848."

[2] S.S. ed., p. 264; Kerr ed., p. 305.

[3] At the lower part of p. 280 (p. 322 in Kerr's ed.) there is a tabulation of statistics, giving death-rate figures for males and females respectively, in eight manufacturing towns and in "Eight healthy agricultural districts." But the significance of this tabulation may easily be missed. A good plan is to draw a dividing line right across the whole table, or the whole six columns, underneath "Woolstanton" and above "Eight healthy agri-." Then the necessary comparison becomes clear, viz. the comparison between the eight separately mentioned manufacturing districts (with death-rates ranging from 547 to 734 per 100,000) and the eight agricultural districts (with death-rates of 305 males and 340 females per 100,000).

extremely important thing, we may here discern, is that the greed of capital for surplus-labour or surplus-value knows no bounds of any kind whatever. The more the greedy hunger of capital is palliated (it could not be satisfied), the more hungry-capital there is to find exploiting investment for, and the more the competitive capital necessarily evinces an ever greater and more insatiable greed.

Marx goes on to show how the Factory Acts were first established in those industries where the productiveness of labour had become greatest! and where capital's "greed for surplus-labour" was not thereby abated, but was only whetted and made even more greedy![1] As a necessary capitalist institution, the Factory Acts very soon spread to other capitalist countries, notably to France and to the United States of America.

(The exploitation of the working class by capital is the same, and the greedy nature of capital for "surplus-labour" is the same too, no matter to where capitalist production may emigrate nor what place it may spread itself over. If we understand what capitalist production or capitalist exploitation is, where it has been completely established, we understand at the same time the hideous capitalistic spirit that must sooner or later develop and unveil itself, inevitably, wherever it establishes itself. If the conditions at present, in any country, be necessarily different to the conditions of last century in England, if, in other words, those English conditions of the early and middle parts of last century cannot be exactly reproduced because of the operation of Factory Acts this will not affect the character of capital and capitalist production in the slightest degree. Even though the present and future working conditions be necessarily somehow different, the great chances are that the capitalistic exploitation of the working class in new countries will eventually be even a more greedy affair; the great chances are that, so far as regards the extraction of pro-

[1] In the sentence reaching from the twentieth line to the twenty-fifth line of p. 284 (eleventh line to the sixteenth line of p. 326 in Kerr's) there is faulty punctuation. A comma instead of the semicolon should follow the word "industry" on the twenty-first line (twelfth line in Kerr's); and a semicolon instead of the comma should follow the word "parts" on the twenty-third line (fourteenth line in Kerr's).

gressively more and more surplus-labour or surplus-value, the necessarily different conditions will finally become so bad as, or even worse than, the English conditions so faithfully depicted by Marx.)

The "Rate and Mass of Surplus-Value"

In his Chapter XI (which is the last chapter of his Part III, and which constitutes an appendix to this part), Marx takes great care to show how the "mass" of surplus-value contradicts all un-scientific experience, or "experience based on appearance." Marx shows that the "mass" of surplus-value is to be seen by multiplying the "rate of surplus-value" into (or by) the "mass" of the variable capital. He shows us that, given the rate of surplus-value, the great or small "mass" of surplus-value will depend upon the great or small "mass" of the variable capital. He also shows that, given the rate of exploitation, the "mass" of the surplus-value will depend upon the value of an average labour-power and the number of such labour-powers exploited.[1]

Marx had previously demonstrated the "rate of surplus-value," in his Chapter IX, by means of two factors, viz. the surplus-value and the variable capital (as in the fraction $\frac{\text{surplus-value}}{\text{variable capital}}$ or, shortly, $\frac{s}{v}$). Here, in his Chapter XI, he shows this "rate of surplus-value" itself as a factor—which factor, when multiplied by another factor (viz. the "mass" of the variable capital),[2] mathematically exhibits the "mass" of the surplus-value.

[1] On p. 66 of *The Student's Marx* Aveling says: "I need hardly point out that VC and vc are numbers, and that there can be no cancelling of the letters" of VC against the letters of vc. It is quite true that there can be no cancelling, but the reason of it is not sufficiently clear in Aveling's book. As a matter of fact, Aveling's "VC" is what Marx calls "V," and Aveling's "vc" is what Marx calls "v." The meaning of v (or Aveling's vc) is the value of one individual daily labour-power, and the meaning of V (Aveling's VC) is the total value of all the labour-powers involved.

[2] The sentence, on the eighteenth to the twentieth lines of p. 67 in *The Student's Marx*, ought to read: "S varies, not as the total capital, C, but as VC, the mass of the variable constituent of the capital (the average unit of which variable constituent is vc)."

Marx had also previously demonstrated the "rate of exploitation," by means of two factors, viz. the "surplus-labour" and the "necessary labour" (as in the fraction $\frac{\text{surplus-labour}}{\text{necessary labour}}$, or, in this Chapter XI, shortly, as $\frac{a'}{a}$). He now shows the "rate of exploitation" itself as a factor—which factor, when multiplied by two other factors (viz. the value of one labour-power, P, and the number of such labour-powers exploited, n) also mathematically exhibits the "mass" of the surplus-value.[1]

Marx is at great pains to show that this fact (of the surplus-value's "mass" depending upon the "mass" of the variable capital) clearly contradicts the superficial experience of the *bourgeois* mind (which is based upon mere appearances); and contradicts the experience of "vulgar economy," which "everywhere sticks to appearances in opposition to the law which regulates and explains" the appearances. Yet Professor Böhm Bawerk falls foul of it; he misquotes Marx, and misconstrues Marx's meaning with untruthful statements [2] about Marx's SELF-contradiction!

Somewhere in his wretched book Böhm Bawerk refers to what he calls Marx's "useless [or "worthless" ?] mathematical formulæ"! But, since the Marxian formula at this point (about the end of Part III) shows the "mass" of surplus product (the "mass" of product issuing from working-class exploitation, or the "mass" of surplus-value, or, again, the "mass" of gratuitous and unrequited labour) which the capitalist idlers live upon, and feed all their pet poodles and "vulgar" professors with [3]—well, no doubt it IS "useless" to capitalists and to their sycophant capitalistic apologists! Marx's "mathematical formulæ" are scientific

[1] The meaning of the seventh line of p. 291, S.S. ed. (the first line of p. 333 in Kerr's ed.), is not quite clear enough as it stands. The correct sense is this: that, if the working day, instead of being extended from six hours to nine (which would mean three hours of surplus-labour), is extended from six hours to twelve (which means six hours of surplus-labour) . . .

[2] *Karl Marx and the Close of his System*, Böhm Bawerk, p. 24.

[3] On the fourth line of p. 297 (twenty-eighth line of p. 338 in Kerr's ed.), the word "in" should precede the word "disregard"; and on the following line (first line of p. 339 in Kerr's) the two words "and in" should precede the word "recklessness."

—so scientific, indeed, that one could naturally expect them to be as " useless " and " worthless " to the exposed parasites upon working-class exploitation as, at one time, Copernican or Hypatian science was " useless " and " worthless " to the Holy Christian Church ! The clear Marxian mathematical presentation of the " mass " of surplus-labour, which the working class is greedily and progressively exploited for, must be *most* " useless " and *most* " worthless " to that other class which thereupon lives and moves and has its luxurious being. No doubt ! No doubt whatever !

PART IV

"THE PRODUCTION OF RELATIVE SURPLUS-VALUE"

In its early period capital had extracted progressively more and more "absolute surplus-value" out of the labourers by absolutely extending more and more the labourers' working time. When this encroaching exploitation of the working class had thus greedily proceeded to its own undoing—when this development had proceeded so far and so outrageously as to cause the reaction of the Factory Acts and limitation of absolute working time—it did not follow that any further encroachment by capital upon the working class was thereby stopped. But capital could then proceed to get progressively more and more out of the labourers only by further developing other means of working-class exploitation. Capital did thus proceed further to exploit them. And, thereby, it became demonstrated that capital had other ways of extracting more and more surplus-value besides absolutely extending the working time.

Such "progress," such "progressive" exploitation of the working class, such further and further augmented extraction of surplus-labour in a working day—even despite the enforced limitation of the working hours—Marx calls the "Production of Relative Surplus-Value."

The production of "relative" surplus-value is the more effective consumption of the working-class's labour-power. Since the Factory Acts block the absolute extension of working time, capital had to exploit the labourers more efficiently during the available working time, and increase the surplus-labour even in a fixed working day—or else "our progress" would have been at an end—or else "our progressive" splendour would have been quickly on the wane—or else

all the " blessings (!) of civilization," scientifically squeezed out of labourers and sucked up by capital, would have ceased its flowing in the ever more plentiful stream ! Therefore, somehow, capital must manage, in its empire, to consume labour-power " progressively " more and more effectively during not only the non-extended working time, but even during the curtailed working time.

Just as, in Marx's Part III, there were three introductory chapters preceding the great Chapter X, so here, in Marx's Part IV, there are three introductory chapters preceding Marx's tremendous Chapter XV. Marx's Chapters XII, XIII and XIV are three necessary steps leading up to his Chapter XV—which Chapter XV gives the actual examples of " relative surplus-value " production, just as, in Part III, the great Chapter X gave the actual examples of " absolute surplus-value " production.

The first chapter here of Marx's Part IV (Chapter XII) explains the meaning of the term " Relative Surplus-Value." The next chapter (Chapter XIII) explains and illuminates a means appropriated (not invented) by capital, and utilized for exploiting labourers in the production of " relative surplus-value," viz. the great principle of labour co-operation. The third chapter of this Part IV of Marx's (Chapter XIV) explains and illuminates another means utilized by capital for further exploiting labourers or for producing " relative surplus-value," viz. the mechanism of manufacture. Then the towering and majestic Chapter XV shows the supersession of the manufacturing mechanism by the mechanism of the factory, or the machinery of modern industry ; and it shows the details, the actual and shocking instances and the actual and shocking incidentals of the " Relative Surplus-Value " production.

The Meaning of the Term [1] " Relative Surplus-Value "

We have seen that the " variable capital," or the value with which the capitalist buys " his labour-power," is the equivalent of the value produced by the labourer's " necessary

[1] The English translation of Marx's title is " The Concept of Relative Surplus-Value " (p. 300, S.S. ed.; p. 342 in Kerr's). But the halting, halt-hearted word " concept " is misleading and therefore wrong. A " con-

labour " ; and that the " surplus-labour," over and above the " necessary labour," produces the " surplus-value."

Given the length of the working day, the magnitude of the " surplus-labour " will depend inversely upon the magnitude of the " necessary labour." With a given length of working day, the greater magnitude of the " necessary labour " will coincide with a lesser magnitude of " surplus-labour " ; and, *vice versa*, the lesser magnitude of the " necessary labour " will coincide with a greater magnitude of " surplus-labour." Thus, the magnitude of the " surplus-value," produced in a fixed working day, will inversely depend upon what is the " necessary labour " or the value of the labour-power.

But the value of labour-power depends upon the value of the labourer's means of subsistence, which value in turn depends upon the labour-time requisite to produce these means of subsistence. Therefore, if in any way the labouring class can be made to produce its means of subsistence in less labour-time, this will reduce the value of the labourer's means of subsistence and thereby reduce the value of his labour-power ; and it will thereby reduce that " necessary labour " by which the labourer replaces the value of the labour-power (in his carcase) which the capitalist buys. And this reduction of the " necessary labour " in the working day is, at the same time, the conversion of " necessary labour " (to the extent of such reduction) into so much extra " surplus-labour." And the product of this converted " necessary-labour " (converted into extra " surplus-labour ") Marx calls " Relative Surplus-Value."

Hence, then, the increased productiveness of labour in the industries which produce the labourer's means of subsistence, such as wheat (or even in those other industries, from which these industries obtain their means of production, such as ploughs or harrows, for producing the means of

cept " (other than a mental projection or a delusion) is merely the mental reflection of some reality. The word " concept " in the present case is equivocal, because it is poised midway between the reality and the name, or " term," for the reality. Marx's chapter (Chapter XII) does not bother with any mental reflection or " concept " of the " Relative Surplus-Value " : it sets forth what is the reality that Marx names " relative surplus-value," and therefore shows what is the meaning of the name or term.

subsistence),[1] results in an extra "surplus-value" being produced; that is, results in the production of "relative surplus-value."

But there is also another way in which "relative surplus-value" may be produced. Relative surplus-value is rendered possible by the difference between the "individual value" and the "social value" of a commodity. The individual value of the commodity is the amount of labour which the individual commodity has necessarily cost to produce; and the social value of the commodity is the amount of labour which is socially necessary (necessary in the average industrial establishment) to produce such a commodity. It often happens that some labour-saving device gives one capitalist a great advantage against all his competitors. By means of the labour-saving device, the labourers exploited by such a capitalist will produce a greater quantity of articles in the working day than what is usually produced; and, in this way, such a capitalist's commodities will cost less labour (and will therefore embody less individual value) than what is socially necessary or than what is necessary on the average.

Therefore such a capitalist may reduce the price of his commodity below the "social value" of it, so as to capture the required extra sale for his extra commodities; and yet this reduced price of his commodity may be above its "individual value," so as to allow the realization of more than the normal "surplus-value." And this is quite independent of whether the article do or do not enter into the cost of the labour-power as one of the labourer's necessaries. We might take, for example, the production of cockades, with which "noblemen" label their coachmen's hats; or we might take the production of any other form of wealth which does not enter into the individual consumption, or living, of the labouring class, such as capitalist mansions, carriages and tourist cars, with their respective elaborate fittings and furnishings; such as the fine silks and satins,

[1] On p. 68 of *The Student's Marx* the last sentence tells us that: If increased productiveness is to affect the necessary labour-time ("ab"), it must affect the labourer's means of subsistence "or means of production." This is not fully stated; it should read: "Or the means of production for producing the labourer's means of subsistence."

the dress suits, the lavish dresses and finery ; or such as the sumptuous banquets, the champagnes, the body servants, the superior cigars, the fine wines, etc., *ad infinitum.* Therefore this form of " relative surplus-value " is quite distinct from that which results through the reduced value of labour-power. This may be easily seen by the table given below.

Suppose that, for the favoured capitalist, the productiveness of labour be doubled ; so that, instead of twelve articles (the normal product of a day's labour), there be, for him, twenty-four articles produced by the day's labour. Remembering that the value of a capitalist commodity consists of the three elements (viz. constant capital, variable capital, and surplus-value), we can analyse the values and prices resulting from the increased productiveness, so as to exhibit the general capitalistic tendency. Let there be 6d. worth of constant capital transferred from the raw materials, etc., into each article ; this will (we assume) be the same for each article of the increased output also.[1] Let there be 6d. worth of new value normally embodied in each commodity ; this will mean that only 3d. worth of new value will be embodied in each commodity where the productiveness of labour is doubled, because the doubled productiveness means that only half the normal amount of new labour is embodied by transforming the means of production into the new commodity. The full value per article is thus, normally, 1s. worth ; but, under the increased productiveness, the full individual value of the article is only 9d. worth. Let the price of the article be, normally, at the value, viz. 1s. ; then, since the favoured capitalist may price[2] his commodity below the normal (or social) value, and yet above its individual value, let the price of his commodity be 10d.

Thus, then, the total value of the normal output of 12 articles will be 12s. worth, and the total individual value of the increased output of 24 articles will be 18s. worth ; the total price of the normal output of 12 articles will be 12s. ; and the total price of the output of 24 articles from the

[1] See the diagram on p. 164.

[2] On the seventh line of p. 311 (the twenty-eighth line of p. 352 in Kerr's), instead of the word "cheapening," read "lowering the prices of . . ."

increased productiveness will be 20s. In the normally produced articles there will be 6s. worth of constant capital; in the favoured capitalist's 24 articles there will be 12s. worth of constant capital. Of new value,[1] there will be the same total quantity in each case, viz. a day's labour or 6s. worth; but whilst the normal price of this total new value will be 6s., the favoured capitalist's price of the total new value will be 8s. The variable capital (daily value of labour-power) will be the same in each case, viz. 5s.; but whilst under the normal productiveness the "necessary labour-time" (which replaces the variable capital for the capitalist) is 10 hours, under the increased productiveness (owing to every 6d. worth of new value being priced at 8d.) the "necessary labour-time" is only $7\frac{1}{2}$ hours.[2] The normal surplus-value is a total of 1s.; but for the favoured capitalist the surplus-value is 3s. The normal "surplus-labour-time" is 2 hours, but under the increased productiveness it is $4\frac{1}{2}$ hours.[2]

By representing the component parts of the total value with quantities of the article (as at the latter end of the diagram below), we get the following: for the normal output, the constant capital is represented by 6 articles at 1s., the variable capital is represented by 5 articles, and the surplus-value is represented by 1 article; for the bigger output of the increased productiveness the constant capital is represented by $14\frac{2}{5}$ articles at 10d., the variable capital is represented by 6 articles, and the surplus-value is represented by $3\frac{3}{5}$ articles.

The diagram on p. 164 is the complete tabulation of all the foregoing details in the narrated order of sequence.

It is to be observed that the "relative surplus-value" arising from this cause will be produced for the favoured capitalist only until such time as the other capitalists will have been compelled, by competition, to adopt the same or some similar labour-saving method, although a permanent

[1] On p. 309 the wrong term "exchange-value" appears twice instead of the correct term "value," viz. on the twenty-ninth and thirtieth lines (twenty-first and twenty-second lines of p. 351 in Kerr's); also the same error occurs on the ninth line of p. 310 (top line of p. 352 in Kerr's).

[2] On the fifth line of p. 308 (ninth line from bottom of p. 349 in Kerr's) there is the wrong expression "$7\frac{1}{5}$" instead of the correct expression "$7\frac{1}{2}$"; also on the seventh line (seventh line from bottom in Kerr's) there is the wrong expression "$2\frac{1}{5}$" instead of "$2\frac{1}{2}$."

effect of the increased productiveness will be the extra use-values yielded by the increased exploitation of the labourers.

But the only permanent form of the extra " surplus-value " (which arises as " relative surplus-value " and ultimately becomes " absolute surplus-value " by the general adoption of the labour-saving device) is that " relative surplus-value " which results from lowering the value of labour-power.

THE INCREASED SURPLUS-VALUE IN DIMINISHED VALUES.

	With Normal Productiveness.	With Increased Productiveness.
Articles produced	12	24
Constant capital per article ..	6d.	6d.
New value per article	6d.	3d.
Full **value** per article	**1s.**	**9d.**
Price per article	1s.	10d.
Total value	12s.	18s.
Total price	12s.	20s.
Total constant capital	6s.	12s.
Total new value	6s.	6s.
Price expression of new value ..	6s.	8s.
Variable capital	5s.	5s.
" Necessary labour-time " ..	10 h.	$7\frac{1}{2}$ h.
Surplus-value	**1s.**	**3s.**
" Surplus-labour-time "	2 h.	$4\frac{1}{2}$ h.
Quantities of article representing totals of—		
Constant capital..	6	$14\frac{2}{5}$
Variable capital..	5	6
Surplus-value	1	$3\frac{1}{5}$

" CO-OPERATION "

When a number of labourers work together, either in the same process or side by side in connected processes, they are said to be co-operating, or to be working in co-operation.

The " simple co-operation " of labourers is the working together of a number of workpeople engaged upon the same task or upon the same kind of task

Co-operation of the labourers is a great principle appropriated by capital ; it is one great means used by capital to exploit the labouring class in the production of " relative surplus-value." In fact, the co-operation of a number of labourers under the direction of one capitalist was the starting-point of capitalist production—by means of which co-operation capitalist production could start to compete with, and finally oust, the other forms of production.

The co-operation of the labourers lowers the values of commodities in various ways. It reduces the proportion of " constant capital " to be consumed per worker ; one big building, which is comparatively cheap, can be used by a group of labourers in common (instead of perhaps 20 or 100 smaller buildings for 20 or 100 separate operators, which are comparatively expensive) ; and the same sort of economy with constant capital [1] is also effected in regard to the general plant and utensils, etc., which are also used in common. Then there is the collective power of the many, which is a wonderful something over and above the sum of the many individual powers ; it is an enormous increase of productiveness [2] which the capitalist gets for nothing. Also many different great works can be carried on by means of co-operation with the greatest ease, which would otherwise be absolutely impossible. " When the labourer co-operates systematically with others, he strips off the fetters of his individuality, and develops the capabilities of his species." This co-operation power is annexed by capital, but costs the capitalist never a penny.

Marx shows that capital appropriates the great power of labour co-operation. He shows what a wonderful power it is that belongs to this co-operation, even to simple or

[1] On p. 314 the wrong term "exchange-value" appears on the eighth line and again on the ninth line (fourth and fifth lines of p. 356 in Kerr's) instead of the correct term "value."

[2] On the twenty-seventh line of p. 317 there should be a little " 2 " after the word "shortened," instead of " 1," which is wrong ; the reference ought to be to the second footnote.

elementary co-operation. Then he shows the need, in co-operation, for a " directing authority " ; and he shows that, for capitalist co-operation, this need of superintendence entails the corresponding " overhead expenses " (*faux frais*, or deadweight expenses). And then he shows that the wonderful productive power of co-operative labour is not paid for by the capitalist. Marx also mentions examples of the marvellous labour co-operation in ancient society of " the ancient Asiatics, Egyptians, Etruscans, etc." ; and he mentions that this great power has been transferred into the hands of the modern capitalists. And, finally, he shows us the bases of co-operation in " primitive society." [1]

Since each co-operating labourer's working day is an aliquot part of the collective working day, the working day of every such labourer " possesses the qualities of an average social working day." By means of co-operation there is " an increase in the productive power of the individual." Also there is " a new power, namely the collective power of masses " ; as, for example, although one or two men cannot possibly lift a ton weight, yet 100 men can lift it merely " by the strength of a finger of each of them." Apart from this new power, the mutual society of the labourers, as fellows, engenders " an emulation and a stimulation " that " heightens the efficiency of each individual workman." The " special productive power of the combined working day is, under all circumstances, the social productive power of labour, or the productive power of social labour."

" The work of directing, superintending, and adjusting becomes one of the functions of capital. . . .

" The directing motive, the end and aim of capitalist production, is to extract the greatest possible amount of surplus-value, and consequently to exploit labour-power to the greatest possible extent. As the number of the co-operating labourers increases, so too does their resistance to the domination of capital, and with it the necessity for capital to overcome this resistance by counter-pressure. The control exercised by the capitalist is not only a special function, due to the nature of the social labour-process, and

[1] Daniel De Leon variously and very seriously misunderstood this chapter of Marx's upon " Co-operation." (See Appendix C, p. 343.)

peculiar to that process; but it is, at the same time, a function of the exploitation of a social labour-process [i.e. a function of the exploitation of co-operative labour], and is consequently rooted in the unavoidable antagonism between the exploiter and the living and labouring raw material he exploits [viz. the life-strength of the labourers which he exploits]."

The " co-operation of wage-labourers is entirely brought about by the capital that employs them. . . . Their union into one single productive body . . . [is] not their own act, but the act of the capital that brings and keeps them together. . . ." The capitalist " subjects their activities to his aims." " An industrial army, under the command of a capitalist, requires . . . managers . . . foremen, overlookers . . . who, while the work is being done, command in the name of the capitalist. The work of supervision becomes their . . . function."

The work of control which is necessary in any co-operative labour-process, for producing use-values, is one consideration; but the work of control in the capitalist process is a very " different " consideration. Marx calls this latter the " different work of control, necessitated by the capitalist character of that process and [by] the antagonism of interest between capitalist and labourer." " The leadership of industry is an attribute of capital. . . ." This is because, without industry, capital would be impossible.

The capitalist buys 100 separate labour-powers, and then throws them together in co-operation; their co-operation and special productive power thus occur only when their bodily strength has become incorporated as a form of the capital, or when their bought-and-sold labour-power has become a technical part of the capitalist's capital. Therefore the special productive power of their co-operation (which special power is a pure gift to the capitalist) appears to be a productive power of the capital itself. The capitalist pays for 100 separate labour powers, " but he does not pay for the combined labour-power of the hundred." " This power is developed gratuitously . . . this power costs capital nothing."

The capitalist co-operation of the " free " labourers his-

torically arises in opposition to the more solitary peasant labour and handicraft labour. As a consequence, capitalist labour co-operation is disguised and does not appear in its true colours (it does not appear as the one peculiar historical form of co-operation which it really is) ; it falsely appears as though the principle of co-operation arose from capital ! The truth is that the co-operation of labourers is an old method, but is here appropriated by embryonic capital ; and is used by such capital in order to increase the productiveness of labour, in competition with less " efficient " methods, capital thereby scooping " relative surplus-value " by more effectively exploiting the labour-power of the working class, and thus establishing the capitalist system.

Capitalism could start its business (of labour-power exploitation and devastating competition) only because the co-operation of labour increased the individual labourer's productiveness and augmented the yield from manual labour, the extra products from which augmented yield figured as " relative surplus-value."

" Division of Labour in Manufacture "

In his Chapter XIV (which is the last of the three introductory chapters in his Part IV) Marx shows the development of " simple co-operation " into the more complex division of labour in manufacture (or what may be called Organic Co-operation), by means of which development the productiveness of labour is further increased, and the labourer is further exploited in the production of " relative surplus-value " (extra surplus-value).

In Simple Co-operation the labourers all do alike—either all perform together the one operation, or else all perform similar operations side by side. On the contrary, in Organic Co-operation (the division of labour in manufacture), the individual labourer becomes differentiated from his fellows ; he becomes a mere detail workman whose special detail activity (which in itself is quite incomplete) has to fit in with the different detail activities of the others (so as to form a component part of the complete compound activity) : all of which detail activities, proceeding as a whole, either

altogether or in serial order, in mutual co-operation, constitute one complete industrial process.

Marx shows the twofold origin of manufacture. One way in which manufacture originates is in the employment of a number of different handicraftsmen altogether, whose different activities all culminate, or are all consummated, in one commodity; for instance, a carpenter, a wheelwright, a blacksmith, a painter, an upholsterer, etc., whose different operations altogether result in the production of a coach. The other way in which manufacture originates is by cutting up one complete handicraft process into a number of different constituent detail operations—which mass of detail operations will, altogether, constitute the manufacture (instead of the superseded handicraft); for instance, needle-making, which was one man's handicraft, but which (by being cut up into the manufacturing detail operations) became the Organic Co-operation of about ninety different detail labourers.

Marx deals with "The Detail Labourer and his Implements." Marx shows how in manufacture the productivity of manual labour is vastly increased. He shows how the detail labourer (as part of the collective labourer or organic group) saves time; how the labourer discovers the most effective way of performing his detail part; how he accumulates experience, technical skill, and tricks of trade, and hands all this down to his successors.[1] And he shows how the detail labourer, who only uses a tool in one capacity, improves the tool by perfectly adapting it to the particular detail operation of his hand. In these various ways the detail labourer is made to yield additional surplus-value or "relative surplus-value."

Marx goes on to show "The Two Fundamental Forms of Manufacture," the "Heterogeneous Manufacture" and the "Serial Manufacture." These two fundamentally different forms of manufacture almost correspond to the twofold origin of manufacture. The heterogeneous manufacture is the many-sided process which goes on in its many different phases (producing all the different parts) all at the same

[1] At the end of the twenty-second line of p. 331 there should be a little "2" after the word "society," referring to the second footnote.

time, so that at some final moment there is an assemblage of all the simultaneously produced different parts in the one completed product; such, for example, as a coach or such as a watch. The serial manufacture is the process of producing a commodity by a series of steps or stages, so that the material gradually becomes the finished product by being passed bodily through a whole series of different detail processes one after the other—for example, a pin or a needle.[1]

Marx shows that, in manufacture, there is both organic co-operation and simple co-operation. For example, in glass-bottle making there is the organic group of five different detail operators, called "the hole," who work at one opening of the glass furnace; and then there are four or six of these separate organic groups which together (in simple co-operation) use the one furnace, which furnace is then called a "glass house." But further: a glass manufactory will consist of a number of such furnaces or glass houses, which all (again by simple co-operation) use the one manufactory.

Marx repeatedly makes it clear that the collective labourer is the mechanism[2] of the manufacturing process. The various detail labourers, with all their different operations, connected together as one complete operating whole, constitute the producing system or mechanism of the manufacturing establishment.

And Marx also points out repeatedly that this manufacture, with its detail specialists, is at the same time a crippling of the labouring individual; for the life-long functioning of a labourer at one detail operation can only

[1] On p. 74 of *The Student's Marx* Aveling has an error of expression. He says: ". . . with many labourers, the detail processes successive in time may become *simultaneous in space*." The last three words have no meaning; "simultaneous" does not apply to space; it only applies to time. What Marx really says is that, with the serial operations all going on at once (so that there are in course of production just as many separate articles as there are different detail operations), "the different detail processes, which were successive in time, have become simultaneous, [and] go on side by side in space." On the eighth line of p. 379 in Kerr's ed. the word "one" should stand before the word "workman." On the twelfth line of p. 380 the Kerr ed. has the wrong word "qualitative" instead of the correct word "quantitative."

[2] On the fourth line of p. 75 of *The Student's Marx* the wrong word "machinery" occurs instead of the correct word "mechanism." On the twelfth line of p. 341, S.S. ed. (fifth line of p. 383 in Kerr's), instead of the wrong word "machinery" read the correct word "mechanism."

be at the expense of the labourer's whole world of productive capacity (which world of capacity is the natural property of any normal human being who is not warped or dwarfed by the division of labour). Therefore the advantages of manufacture, with the resulting " relative surplus-value," are for the capitalist alone ; the labourer only loses.

" Manufacture develops a succession of higher and lower labour-powers, with a succession of higher and lower wages. As there are certain simple operations that anyone can do, manufacture begets the unskilled labourer needing no apprenticeship or teaching. With the fall in the value of labour-power caused by this disappearance of apprenticeship, there is a direct increase of surplus-value [there is ' relative surplus-value '] for the benefit of the capitalist." [1]

Under the sub-heading " Division of Labour in Manufacture, and Division of Labour in Society," Marx compares the detail production in manufacture with the production of different commodities in the outside world.

Speaking of the division of labour in society, Marx tells us : " Different communities find different means of production, and different means of subsistence, in their natural environment. Hence, their modes of production, and of living, and their products, are different. It is this spontaneously developed difference which, when different communities come in contact, calls forth the mutual exchange of products, and the consequent gradual conversion of these products into commodities."

But, besides this climatic or geographic origin, the division of labour in society has also another origin ; for, just like the division of labour in manufacture, the division of labour in society has two different origins ; the division of labour in society originated physiologically also, such division being based upon differences of sex and age.

From the primitive exchange of superfluous products between contiguous tribes or communities there gradually developed the production of commodities. And the division of labour in society, with its own modest development of commodity production, long preceded the division of labour in manufacture ; and necessarily so, for, without the previous

[1] *The Student's Marx*, p. 75.

establishment of commodity production, manufacture, with its peculiar division of labour, would have been impossible.

In the division of labour in manufacture it is necessary that there be a number of workmen congregated together under one employer. In the division of labour in society it is necessary that there be a certain density of population.

But between the social division and the manufacturing division of labour there are more differences than resemblances. In the social division of labour (division of labour in society) the products are complete products ; and, eventually, these complete products become produced as commodities. In the manufacturing division of labour, on the contrary, no detail labourer produces any complete product or commodity ; he only helps, as a fraction of the collective labourer.

In the social division of labour the sales and purchases of the products of different industries are the connecting links. In the manufacturing division of labour the connections between the different detail workmen is the common sale of their labour-power to one capitalist.

In the social division of labour there is widespread possession of the means of production in the hands of independent producers. In the manufacturing division of labour there is the " concentration " of previously distributed means of production into the possession of one capitalist.

In the social division of labour chance and caprice play important parts in distributing the producers and their means of production. But in the manufacturing division of labour a strictly calculated proportion distributes such and such detail labourers to definite detail functions.

In the social division of labour there are independent producers of commodities, who recognize no authority above competition and mutual interests. In the manufacturing division of labour there is the commanding rule of the capitalist over the human beings who constitute the industrial mechanism which belongs to him.

In the social division of labour the conscious attempts to socially control production and distribution are scouted and denounced by the *bourgeois* mind. In the manufacturing division of labour the life-long annexation of the labourer

to a mere detail operation, and the labourer's being subjected completely to the will of the capitalist, is belauded by the same *bourgeois* mind.

In the social division of labour there is no conscious control ; there is only anarchy (and, in developed capitalism, chaos). In the manufacturing division of labour there is the hard rule of despotism. And these two (the anarchy and the despotism) are the conditions of each other.

Whilst the social division of labour is common to very different forms of society, the division of labour in manufacture is quite peculiar to capitalism.

Under the sub-title of "The Capitalist Character of Manufacture," Marx finishes his Chapter XIV ; and therein he shows that manufacture could only obtain in the capitalist system. The division of labour in manufacture necessitates an increase in the number of labourers employed by one capitalist.[1] Any further advantageous division of labour necessitates a further increase of the number of labourers. This, in its turn, necessitates more "constant capital," especially more raw materials. Hence, it is a law of manufacture that the minimum amount of capital, necessarily in one capitalist's possession, keeps on extending.

Since the human mechanism of manufacture is a form of the capital belonging to the capitalist, the extra productiveness of the manufacturing labourer seems to be the productive power of capital. The labourer, who in manufacture becomes a crippled human fragment, finds that his labour-power is useless unless the capitalist buys it ;[2] and his productive activity is merely an attachable part of some capitalist establishment.

Manufacture separates the intelligent control (as exercised by the peasant, the handicraftsman, and the savage) from the work of the labourers. Productive intelligence is lost to the detail labourers, and is concentrated in the capital which exploits them.

[1] On the second line of section 5 at p. 353 (p. 395 of Kerr's), instead of the word "capitalist," read the word "director."

[2] On the top line of p. 355 (seventeenth line of p. 396 in Kerr's) there appears the incongruous phrase "refuses its services," instead of the much better phrase "fails him." Also the next sentence is faulty ; it should read : "Its functions can be exercised only after the sale, in an environment that exists in the workshop of the capitalist."

Manufacture ("co-operation based on the division of labour") is only a special mode of creating relative surplus-value, or increasing the "self-expansion of capital," at the expense of the labourer. Manufacture increases the productiveness of labour for the capitalist's benefit instead of for the labourer's benefit; and it does this by crippling down the individual workman into a mere detail labourer.

But manufacture (which is the function of the organically co-operating human mechanism) at length produces machinery—which machinery comes to constitute the very different mechanism of modern industry. Thus, the technical necessity of keeping one labourer, his whole life through, at one detail operation, disappears; but, at the same time, the powerful resistance of the manufacturing labourer (encounted by capital in the manufacturing period proper) also disappears, and the dominion of capital over the labouring class becomes thereby perfected.

"Machinery and Modern Industry"

And now comes Marx's biggest chapter, viz. his Chapter XV, entitled "Machinery and Modern Industry." This huge chapter consists of ten sections, and contains no less than 151 pages. Not only is this chapter the longest in Marx's book, but it is also the biggest chapter in some other respects. It shows the complete mastery of capital over the working class; it shows the most merciless exploitation of the life-strength of labouring men, women, and children, by means of automatic mechanical monsters—machines that mop up labour-power to the very dregs; it recounts how little children, at the behest of capital, are exploited in foul work-rooms at "lace-finishing" (little creatures of 5 and 6 years) "from 8 or even 6 o'clock in the morning till 10, 11, or 12 o'clock at night"; it tells of infants of 3 and 4 years being exploited at straw-plaiting (which cuts the mouths and fingers of the little unfortunates) until 10, 11, and 12 at night; it tells of babies of 2 and 2½ years being exploited in vilely overcrowded lace-making dens, where the packed workers are only kept warm by their own animal heat and by the exclusion of fresh air; it illuminates,

and drags into the world's daylight, the most inhuman recklessness for human life and limb and health that has ever characterized " man's inhumanity to man " ; it shows that capital perpetrates all this, and a great deal more, upon the working class in order that capital may thereby the more quickly expand itself and grow fat !

This Chapter XV demonstrates how modern wealth is wrung from the unpaid manual labour of the working class ; it gives concrete instances of the working class being more effectively exploited and being made to yield extra (or " relative ") surplus-value, even despite the restricted normal working day. Not that co-operation, or manufacture, or machinery, originated after the Factory Act restrictions of the nineteenth century ; not that—but these means of producing relative surplus-value (means that had already been developed and utilized by capital) were now the means by which capital could still " progress," or further and further exploit the labourers, even despite the legally limited labour time. This great chapter of Marx's shows up the hideous working of capitalistically " applied science." Science and brain-work are " applied," for the special and fell purpose of more effectively exploiting the labourers and of squeezing out of the working class more and more unpaid labour !

Nothing like a complete outline of the chapter can be attempted in these pages. Marx's work itself should be read, re-read, and studied. A few of the more salient features of Marx's work, and a spasmodic smattering of details culled for the special purpose of the present work, are all that can be given here.

" *The Development of Machinery* "

Capitalism started in simple co-operation by the formal subjection of the labourers to capital—with which simple co-operation, and merely formal subjection, of labour, the incipient capitalism competed against the solitary peasant and handicraft industries and gradually superseded them. Then capitalism developed the real subjection of labour to capital, in manufacture (with its division-of-labour mechanism, or perfected organic co-operation) ; by which development,

however, capitalism also developed the troublesome resistance of the labourers. Subsequently, capitalism gradually developed and perfected its control over the troublesome labourers by means of the instrumental mechanism (the machinery of modern industry); by which control, when the time came, capital defied the Factory Acts restrictions and progressively exploited the labourers for more and more surplus-value—in the form of " Relative Surplus-Value."

Simple co-operation is one means of producing relative surplus-value, and manufacture is a better means ; but modern industry (production by machinery) is the best, the most effective, means of producing relative surplus-value.

Just as manufacture constituted a revolution from the pre-established modes of production, so modern industry constitutes a revolution from the manufacturing mode of production. The great difference between the two revolutions is this : that whilst manufacture converted labour-power into an organically co-operating mechanism, modern industry seized the implements used by the manufacturing mechanism and converted these implements into a machine mechanism—into an automatic mechanical monster.

The *bourgeois* " great intellect," John Stuart Mill, questioned if machinery had ever lightened [1] the toil of any human being. But capital never intended that machinery should lighten the working class's toil ; the only aim of capital was the production of relative surplus-value. Yet Mill was wrong, for " machinery has greatly increased the number of well-to-do idlers."

Machinery consists of three different essential parts, viz., first, the mechanism of the motive power (whether man-power, horse, water, wind, steam, or electric power) which moves the other parts ; second, the transmitting mechanism (such as the shafting and gearing, the pulley wheels, belting, etc.) which transmits the motive power to the operating-tool part ; and third, the operating-tool part (or machine proper) which seizes upon the subject of labour and deals with it. The workman who handled a single tool is superseded by the machine which handles a number of tools and

[1] In the first sentence on p. 405 the Kerr edition has the word " lighted," instead of the correct word " lightened."

which is driven (with all the differently moving tools) by one huge central motor power.[1]

Before there were any labourers told off to do nothing but make machines there were already such things as machines—there were spinning " mules and steam-engines " ;[2] just as people wore clothes long before there were any professional tailors.

Manufacture and handicrafts produced the machines[3] and machinery, by which afterwards the manufacture and handicrafts were superseded. Thus modern industry, at first, rested upon the older methods of production for its distinguishing wherewithal (machinery). And so the factory system was inadequately based upon the manufacturing and handicraft systems, until such time as its machinery came to be made by machinery.

" The Value Transferred by Machinery to the Product "

The value transferred by machinery to the new commodities is only that value pre-existing in the machinery, viz. the labour embodied in the machinery by its own production. As the machinery is worn away in the production of new commodities, its value disappears from the machinery and reappears as part of the value in the new commodities. But, as is the case with all other " constant capital," the machinery cannot transfer from itself into the new commodities any more value than what it contains.

As the machinery is worn away by industrial use it parts with its value to the industrial product, just the same as does all other constant capital. The transferred value of machinery thus forms a component part of the value in the new product ; and so this is not the way in which machinery cheapens commodities.[4]

[1] In front of the small print which starts at the twenty-second line of p. 371 put a little " 1 " ; it is the first footnote.

[2] On the twenty-sixth line of p. 377 (third line of p. 417 in Kerr's) put a comma after the word " engines," and on the next line, after the word " labourers," erase the comma, which is wrong.

[3] In *The Student's Marx* at the end of the thirteenth line on p. 80 delete " (*a*)," which is wrong, and put in " (*c*)."

[4] The sentence commencing on the twenty-second line of p. 383 (fifth line of p. 423 in Kerr's) ought to read : " Instead of being thereby cheapened the product is thus made dearer . . ."

The less value there is embodied in the production of a machine, however, the less is the value which the machine can transfer to the new product, and the nearer the service of the machine will thereby approach to the service of a natural force.[1] This feature is enhanced when machinery comes to be made by machinery.

But Marx tells us that, although, with machine industry, the value transferred from the instruments of production into the new commodity decreases absolutely, yet it increases relatively; and he tells us that the unpaid labour in the new commodity also increases. "An analysis and comparison of the prices of commodities produced by handicrafts or manufactures, and of the prices of the same commodities produced by machinery, shows generally that, in the product of machinery, the value due to the instruments of labour increases relatively, but decreases absolutely."[2] And—"Before Eli Whitney invented the cotton-gin in 1793, the separation of the seed from a pound of cotton cost an average day's labour. By means of his invention one negress was enabled to clean 100 lb. daily. . . . A pound of cotton-wool, previously costing 50 cents to produce, included, after that invention, more unpaid labour, and was consequently sold with greater profit, at 10 cents."[3]

At first sight the condition implied by these separate statements appears to constitute an impossibility, and Marx has not given a mathematical demonstration of this particular phase or condition. Let us, therefore, here notice (by a tabulation) how such surprising declarations can happen to be true. Let us notice how an article whose price falls from 50 cents to 10 can thereby carry an increased profit.

Since Charles Babbage[4] tells us that at least 4 lb. of raw seed-cotton is necessary to produce 1 lb. of cleaned cotton, let us assume that 8 cents worth of raw material (4 lb. of seed-cotton at 2 cents per lb.) be used up

[1] At the end of the nineteenth line of p. 386 (twenty-seventh line of p. 425 in Kerr's), after the word "more," add the word "do." At the end of the thirtieth line of this page in the S.S. ed. put a little "2," referring to the second footnote.

[2] S.S. ed., p. 386; Kerr ed., p. 426.

[3] S.S. ed., p. 388; Kerr ed., p. 427.

[4] On the fourth line from the bottom of p. 388 (second line from bottom of p. 427 in Kerr's) instead of the expression "p. 214," read "pp. 204 and 205."

in producing the pound weight of clean cotton. Of course, this will apply both before and after the cotton is gin-cleaned, or cleaned by the new invention (see the table below). Let us assume that 0·02 of a cent is the value transferred from the instruments of labour to the pound of hand-cleaned cotton before the invention of the cotton-gin ; [1] and since, with machine cleaning, the so transferred value "decreases" absolutely, let us put 0·01 of a cent as the value transferred to the pound of gin-cleaned cotton. Since by a day's labour in the old hand-process 1 lb. of cleaned cotton was produced from seed-cotton, let us put the value of the labour-power thereby consumed at 40·5 cents ; and since the cotton-gin decreased the consumption of labour-power one hundredfold, let us put the value of labour-power consumed in producing the pound of gin-cleaned cotton at 0·41 of a cent. This will allow the labourer a slight increase of the daily rate, for 100 lb. at 0·41 cents per lb. gives 41 cents as the value of the day's labour-power instead of the previous 40·5 cents.

Thus, then, before the introduction of the cotton-gin, on our assumed figures, the price, 50 cents for the pound of cotton, will include a surplus-value of 1·48 cents ; but, after the coming of the cotton-gin, the price of 10 cents for the pound of cotton will include the increased surplus-value of 1·58 cents. Here is the complete tabulation of our figures :—

	Value of Raw Seed-Cotton used up.	Value transferred from Instruments of Labour.	Value of Labour-Power.	Surplus-Value.	Price per lb. of Cleaned Cotton.
In hand-cleaning process	8 cents	0·02 cent	40·5 cents	1·48 cents	50 cents
In cotton-gin process	8 cents	0·01 cent	0·41 cent	1·58 cents	10 cents

Thus we see the conditions are quite easily satisfied ; and we find that what seemed an impossibility is easily realized. The value transferred, as wear and tear from the instruments

[1] This value is probably too much, but it will not matter in the present illustration.

of labour, to the pound of cotton, "decreases absolutely." It decreases from 0·02 of a cent per lb. to 0·01 of a cent. And yet it "increases relatively." It increases from 0·0004 of 50 cents per lb. to 0·001 of 10 cents; in other terms, it increases from $\frac{1}{2500}$ of the old price to $\frac{1}{1000}$ of the new price. At the same time the surplus-value increases from 1·48 cents per lb. of cleaned cotton to 1·58 cents.

That our assumed surplus-value, of 1·58 cents per lb., is on the low side rather than the high may be seen from the following: "Mr. Woodbury states that 'where rich lands and labour were low, as in Mississippi and Alabama a few years ago, 2 cents (one penny) per lb. for cotton, in the seed, or 8 cents when cleaned, would pay expenses. It is supposed to be a profitable crop in the South-western States at 10 cents per lb.'"[1]

"The Proximate Effects of Machinery on the Workman"

The immediate or direct effects of machinery upon the labourer come under three general headings. The first direct effect is that capital appropriates additional forms of labour, which supplement the labour of the adult male labourer; capital appropriates the labour of women and children. The second direct effect of machinery is that the working day undergoes a prolongation. By a remarkable irony, the machinery in the hands of capital is the most powerful means of prolonging the labourer's working day! And yet the machinery reduces the labour-time necessary to produce commodities! The third direct effect of machinery upon the labourer is that (under the legal reaction against the inhuman lengthening of the working day, or under the legally fixed working day) the labour becomes intensified—so that the labourer is more effectively drained of his labour-power in the shortened working time.

In Marx's Chapter VI we learned that the value of labour-power includes the expenses of the labourer's wife and family. But, with the introduction of machinery, capital puts the whole working-class family into harness; and thus the value of the labourer's labour-power comes to be spread

[1] *The Standard Library Encyclopædia*, H. G. Bohn, London, 1848, vol. ii, p. 690.

over the labour-powers [1] of his wife and children also—so that the value of labour-power is, in reality, greatly depreciated.

In 1857 Leonard Horner reported that the "legal" provision for the education of children was farcical,[2] as there was nothing enacted wherewith to enforce the education. But even in the schools themselves rows of children inspected were, in many cases, seen to be doing "absolutely nothing."[3] The capitalists were strongly opposed to any working-class education, and the effect of the Factory Act's education clauses was a tendency to despoil the children of both "employment and the benefit of education. . . ."[4]

Machines lose value [5] by depreciation in competition, either through better machines or cheaper machines. Therefore in the early days of a new machine, "quick's the word" for working it, and wearing it out while the wearing-out is "good business"; and therein lies a special incentive to the lengthening of the working day.

In the factory system there is a constantly increasing mass of capital which is not only "capable of continual self-expansion," but which, on the contrary, loses both use-value and value [6] whenever the living ferment of labour happens to be missing. One person's leaving a mill may throw a whole capital out of action.[7]

By means of machinery, not only surplus-value, but increased "relative surplus-value" is produced.[8] The use of machinery results, not only in lowering the value of labour-power; but, at its first exclusive introduction into a factory,

[1] On the eighth line of p. 392 (twenty-first line of p. 431 of Kerr's) the words "the labour-power of" should be inserted after the word "over."

[2] After the word "schoolmistress," on the sixth line from the bottom of p. 397, put a little "2," referring to the second footnote.

[3] On the sixth line of p. 399 put a little "1" after the word "educated," referring to the first footnote.

[4] On the bottom line of p. 399 put a little "2" in front of the word "Sir." to indicate that the bottom line is the second footnote.

[5] On the twenty-third line of p. 402 (third line of p. 442 in Kerr's) appears the wrong term "exchange-value" instead of the correct term "value."

[6] On the twenty-third line of p. 403 (tenth line of p. 443 of Kerr's) occurs the wrong term "exchange-value" instead of the correct term "value."

[7] On the fifth line of p. 404 (seventeenth line of p. 443 in Kerr's) the quotation commas after "£100,000" are missing.

[8] On the twelfth line of p. 404 (twenty-third line of p. 443 in Kerr's ed.) instead of the word "produces," read "causes the production of . . ."

it lowers the individual values [1] of the new commodities, below their social values, by means of the increased productiveness of labour.

The use of machinery in producing surplus-value implies a contradiction. With a given magnitude of capital, the one factor of surplus-value's mass (the rate of surplus-value) cannot be increased without reducing the other factor (the magnitude of the variable capital, or the number of labourers).[2] This implied contradiction leads to the extension of the working day, increasing not only the relative surplus-value, but also the absolute surplus-value.

Generally, the production of relative surplus-value consists in raising the productiveness of labour, so that the same quantity of value [3] (the same labour-time) is dispersed or distributed over more commodities. But, with the compulsory shortening of the working day, this is changed. The increased intensity of labour which then results produces more value in the same given working time; [4] and besides, it leads to other important economies also. But chiefly, through the forbidden extension of working time by the Factory Acts, capital compensates itself by the enforcement of an increased intensity of labour.[5]

"*The Factory*"

The factory consists of a vast automatic mechanism of conscious and mechanical organs, acting in concert for the achievement of a common object; it is a central automatically moving force exacting obedience from all the other involved forces.

[1] On the eighteenth and nineteenth lines of p. 404 (fifth and sixth lines of p. 444 in Kerr's), instead of the clause "by raising the social value of the article produced above its individual value," which is quite wrongly expressed, read, "by reducing the individual value, of the article produced, below its social value"—which correct expression carries quite a different meaning.

[2] The sign "(*n*)," on the fifteenth line of p. 85 in *The Student's Marx*, should appear on the next following line, after the word "labourers."

[3] On the twenty-fifth line of p. 408 (fourth line of p. 448 in Kerr's ed.), there is the wrong term "exchange-value" instead of the term "value."

[4] On the twenty-third line of p. 410 put a little "4," referring to the fourth footnote.

[5] At the bottom of p. 417 put the word "over," because the third footnote, which includes two tables, is continued at the foot of the next page (p. 418). In the Kerr edition, at the bottom of p. 457, put the word "over"; for in this long footnote the part which commences with the word "See" is continued at the foot of the next page (p. 458).

The separation of the productive intellect from the manual labour in the factory system, and the conversion of intellectual power into the master's power [1] over the labourers, is finally completed by the use of machinery in the production of machinery. And the capitalist becomes especially arrogant towards the labourers, and boastfully refers to the machinery's "far more important part" in contrast with the labourer's part in industry (IF the loss of labour-power be not threatened).[2] In the factory the tyranny of laws, rules and penalties takes the place of the slave-driver's whip; and the breaking of these laws, within certain limits, is made more profitable than their observance [3] through the corresponding deductions from wages.

The economy of the means of production was converted by the factory system into shameless robbery of the labourer's necessary working "space, light, air, and . . . protection . . . against dangerous and unwholesome" conditions. So much so, that Fourier called the factories "tempered convict prisons." [4]

"The Strife between Workman and Machine"

The strife between workman and machinery is (or was) a special phase in the capitalist further development of the old-time class struggle. The strife between the workman and the capitalist is just as old as capitalism itself; but the strife between the workman and the instruments of labour only starts under the beginning of modern industry (production by machinery), and this strife is merely a further stage in evolution of the long-standing class struggle. Nowadays that stage has been superseded by a later stage; for the struggle of the working class now takes on, more and more definitely, the form of a direct attack upon the autocratic capitalist system itself. But machinery is not only

[1] At the end of the fourteenth line of p. 423 (twenty-ninth line of p. 462 in Kerr's) delete the word "that," with the comma after it.

[2] At the twenty-eighth line of p. 423 delete the little "3," and put a little "1," referring to the footnote.

[3] On the twenty-fifth line of p. 424 put a little "2" after the word "then," instead of the little "1"; the proper reference is to the second footnote.

[4] On the fourteenth line of p. 426 the little "3," after the word "bagnos," refers to the footnote which is wrongly marked "1" on the next page (p. 427).

a sort of competition with the working class; it is also the most powerful weapon in the hands of capital against the working class.

The struggle between capital and the labourers began when capitalist production itself began.[1] This class struggle raged throughout the manufacturing period. Nowadays the machinery of industry beats the labourer and humiliates him. This beating down of the labourer is powerfully exhibited by newly introduced machines; but similar destructive effects upon labourers are continuously produced by the continual improvements of machinery.[2]

"The Theory of Compensation for Displaced Labourers"

The theory of compensation, regarding people thrown out of work by machinery, is: that sufficient capital is rendered free by the machinery to employ the displaced workers. But there is no such compensation. If the introduction of machinery did not do away with labour, and thereby cause the production of relative surplus-value, the capitalist would never be bothered with it. The law of machine production is this: that, if the quantity of commodities produced by machinery be only the same quantity as was previously produced by manufacture, then the amount of labour embodied in the new commodities is reduced. This law holds, whether the labour be directly embodied or indirectly embodied. The total amount of embodied labour in each new commodity may be reduced, partly through each commodity's proportion of the labour for producing the necessary machinery, etc., being reduced. But, as a matter of fact, the quantity of commodities produced by machinery far exceeds the quantity previously produced by manufacture, and that, too, with fewer workpeople. Instead of any so-called "compensation," there are more products with less labour;[3] more "well-to-do idlers," and more

[1] The bottom footnote on p. 427, which is wrongly marked "2," should be marked "1," because it is the note referred to by the little "1" after the word "period," on the third line of the page.

[2] On the ninth line of p. 472 in Kerr's ed., instead of the wrong word "continental," read the correct word "continual."

[3] Instead of the word "expansion" on the third line of p. 442 (eleventh line from the bottom of p. 481 in Kerr's) read the words "expansion of operations."

luxuries for them ; as also more body-servants, " slaveys," and prostitutes.

It is cynically allowed by the *bourgeois* that, by throwing men out of work, the capitalistic use of machinery may cause the labourers a " temporary inconvenience."[1] The refusal of *bourgeois* persons to see the difference between the human use of machinery and the capitalistic use of it is on a level with the " philosophy " of Bill Sykes, which " gentleman " identified the civilized use of the knife with the murderous use of it.[2]

If the difference be very big between the quantity of machine-made commodities and the quantity of commodities hand-made by the same amount of labour,[3] then a comparatively large number of labourers can be profitably employed in making the new mode's necessary instruments ; but if that difference be very small, then there is little scope for extra employment in producing such instruments.

When machinery is first employed for spinning yarn, there is an increased supply of yarn ; and there is an increased demand for labourers in those weaving trades [4] which use the yarn as raw material. This yarn became so cheap and so plentiful with the introduction of spinning by machinery that, for a while, the hand-loom weavers could [5] work full time without putting out more money, and they earned more.[6]

With machinery production there is a greater surplus-

[1] The words " temporary inconvenience " on the fifth and sixth lines of 443 (fifth and fourth lines from the bottom of p. 482 in Kerr's) should be enclosed in quotation commas ; Marx is ironically quoting the " vulgar " economists.

[2] At the end of the twenty-second line of p. 443, after the word " barbarism " put a little " 2," referring to the second footnote.

[3] Such is the meaning of the sentence ending on the twenty-second line of p. 444 (thirteenth line of p. 484 in Kerr's ed.).

[4] The sentence which starts on the twenty-first line of p. 445 (seventeenth line of p. 485 in Kerr's) is very faulty. It ought to read as follows · " When machinery is introduced into any of the preliminary or intermediate processes (through which processes the subject of labour, as raw material, has to pass on its way to becoming a completed commodity), there is an increased yield of the raw material from such processes ; and, simultaneously, in those industries which are supplied with the more cheaply produced raw material there is an increased demand for labour."

[5] On the twenty-fourth line of p. 485 of Kerr's ed. there appears the wrong word " about," instead of the correct word " able."

[6] On the eighth line from the bottom of p. 446 in the S.S. ed. put a little " 1 " at the start ; it is the beginning of the first footnote.

product, and a larger proportion of the surplus-product takes the form of luxuries.[1] With the machine production of modern industry, and the greater exploitation of the productive labourers, there is an increase of "the ancient domestic slaves under the name of a servant class."[2]

"Repulsion and Attraction of Workpeople by the Factory System. Crises in the Cotton Trade"

The factory system alternately attracts and repulses the workpeople; in turns wanting them and then comparatively not wanting them. Sometimes, with an extension of the factory system, there will be both a relative and an absolute decrease in the number of people employed; and sometimes there will be a relative decrease, but an absolute increase.

In the five years, 1860 to 1865, there were increases of looms, spindles, and engine-power in 570 factories under the inspection of Mr. Baker.[3] The increase of looms was 11 per cent., of spindles 3 per cent., and of engine-power 3 per cent. But, at the same time, there was a 5½ per cent. decrease in the number of persons employed.

So soon as modern industry is well established, this mode[4] of production acquires a marvellous degree of elasticity, and its productiveness expands by leaps and bounds.

By throwing people out of work, machine industry gives a fillip to emigration and colonization.[5]

[1] After the word "increases," on the eleventh line from the bottom of p. 446, put a little "2," referring to the second footnote.

[2] After the word "these" on the fifteenth line of p. 448 strike out the comma; also, on the twelfth line from the bottom, put a little "3" after "1,208,648," referring to third footnote.

[3] On the tenth line of p. 450 (twenty-first line of p. 489 in Kerr's) there should be the words "horse-power" after the number "1390," so as to read "and 1390 horse-power (water)."

[4] On the tenth line of p. 95 in *The Student's Marx* there is the wrong word "means" instead of the correct word "mode."

[5] In the Kerr edition, on the sixth line from the bottom of p. 493 put a bracket before the word "note," and on the fourth line from the bottom put a closing bracket after the signature "F. E." Then, at the bottom of the page put the word "over," because the footnote is continued on the bottom fifteen lines of the next page (p. 494), beginning the continuation with the words "Export of corn." Then, across this p. 494 draw a line (between this continuation part of the long footnote, and the table above it, so as to

By ruining handicrafts abroad, machine industry converts foreign lands into agricultural fields for supplying its raw materials. The annual average excess of imports over exports (in grain, corn, and flour) for the United Kingdom rose from 871,110 quarters, in the period 1831–1835, to 16,241,122 quarters in the year 1866.[1]

" Revolution effected in Manufacture, Handicrafts and Domestic Industry by Modern Industry "

The factory system (modern machine industry) revolutionizes the manufactures, handicrafts, and domestic industries that surround it. It overthrows both simple co-operation and organic co-operation ; it extends production in other spheres of industry, and alters the character of these industries ; it introduces detail machines and the cheap labour of women and children into manufactures ; it converts domestic industry into so many outside departments or tentacles of the factory ; and it causes the most revolting exploitation of women and children in both manufacture and the so-called " domestic industry." Also, the factory system spreads itself ; it develops manufactures and domestic industries so that these become changed and pass over into itself. This process brings into existence various transition forms of industry, in which forms the various industries are neither handicraft, nor manufacture, nor factory system,

separate them). Then the dates " 1850 " and " 1852," which constitute the seventh line up from the bottom, may be struck out, because these dates are already at the tops of the two columns. The whole footnote (the fourth footnote of p. 493) consists then of the eight bottom lines of p. 493 and the fourteen bottom lines of p. 494. In the S.S. ed., at the foot of p. 454, the greater part of this same footnote appears, and at the foot of the next page (p. 455) the other part of it appears. A good plan here is to draw a line right across the paper above the footnote on both pages (i.e. a line above the bottom fourteen lines of p. 454 and a line above the bottom seven lines of p. 455) ; also put the word " over " at the bottom end of the first page (p. 454).

[1] On p. 454 (p. 494 in Kerr's) there is the beginning of a table which finishes on the next page. The whole table is a tabulation of import and export quantities for seven quinquennial periods (showing annual averages) and for the year 1866, and it therefore includes eight quantity columns. But only half of these quantity columns appear on the first page, and the other half of them appear on the next page, so that the two halves look like two separate tables. A good plan is to join the two halves by drawing two slanting lines from the one page to the other ; one line to join the two tops of the half-tables and the other line to join the two bottoms.

properly speaking, but only hybrid mixtures—which mixed-transition forms quickly disappear under the operation of the Factory Acts; for they either transform, more or less rapidly, into the factory system proper or else tend to die out.

In some new industries (such as envelope and steel-pen productions) the production of the modern commodities passed in rapid transition through the handicraft and manufacturing stages to the factory stage.[1]

The factory system re-acts upon manufactures and domestic industries, extending them and revolutionizing their characters.[2] Manufacture and domestic industry became revolutionized and converted into modern machine industry. This revolutionary process was hastened on by application of the Factory Acts.[3] Between those distinct forms of industry, "handicrafts, manufactures, and modern machine industries," there is "a medley of transition forms."[4] In the manufacturing industry of dressmaking the sewing-machine entered as a new factor,[5] making the industry a cross between the manufacturing system and the factory

[1] In Kerr's edition, on p. 503, there is a line missing, after the thirtieth line, which should contain the end of a sentence and the beginning of the next sentence. The two sentences should read as follows: "This circumstance formed a great hindrance to the establishment of steel-pen factories. Nevertheless, about fifteen years ago a machine was invented. . . ."

[2] Parts of the paragraph starting on p. 465 (p. 505 in Kerr's) are difficult to understand, but are easily simplified. Enclose in brackets the matter commencing with the word "namely" on the sixteenth line and ending with the word "labour" on the eighteenth line; then put a semicolon instead of the comma after the word "manufacture" on the eighteenth line; and then, after this inserted semicolon, instead of the words "and at," read the words "and because at"; then, after the word "is," on the twenty-first line, put the word "still"; then, after the word "manufactures," on the twenty-second line (twenty-third line in Kerr's) put a semicolon instead of the comma, and erase the two words "and that." On the thirty-first line (thirty-second line of Kerr's) put a comma after the word "these"; and on the next line put the word "modern" after the word "and," so as to read "and modern agriculture."

[3] On the ninth line of p. 475 (fifteenth line of p. 515 in Kerr's) put a semicolon after the word "on." At the end of the twelfth line (eighteenth line in Kerr's) erase the semicolon after the words "master-handicraftsman," and put a bracket in front of the next word "these," and a closing bracket between the word "specialty" and the semicolon at the end of the sixteenth line (twenty-second line of Kerr's); then put the word "and" in front of the next word "finally," so as to read "and finally. . . ."

[4] On the eighteenth line of p. 477 put a little "2" after the word "&c.," referring to the second footnote.

[5] In Kerr's edition, on the twenty-seventh line of p. 517, appears the wrong term "nearly" instead of the correct term "merely."

system. With the advent of the Factory Acts, the intermediate and transitional forms of industry disappear ; [1] this is because those transient forms of industry are based upon the unlimited exploitation of woman and children. With the operation of the Factory Acts, the host of pretended "impossibilities" that worried the manufacturers vanished, like vermin vanish with poison.[2] The application of these Factory Acts led to further improvements and to further economies.[3]

"*The Factory Acts. Sanitary and Education Clauses of the Same. Their General Extension in England*"

The character of capital is effectively exhibited by the fact that the Sanitary and Education clauses of the Factory Acts are necessary, and by the further fact that the inspectors could not enforce even the insufficient provisions imposed by these clauses.

The application of Factory Acts to the generality of industries becomes an unavoidable necessity with the development of modern industry. But this means the development of comparatively fewer and bigger industrial establishments and the growing predominance of the factory system. It means, also, the crushing of the transitional forms of industry —the small industries and the domestic industries. The imposition of Factory Acts means the enforcement of order in the individual factory, the development of anarchy and contradictions in capitalism as a whole, the development of opposition to such anarchy and contradictions, and the development of elements for a new society together with the forces for exploding the old society.

The principle which modern industry pursued, of resolving processes into their constituent movements, created the modern science of technology (operating details). Modern

[1] On the fourth line of p. 480 (tenth line of p. 520 in Kerr's) put a comma after the word "industries," and put the word "in" after the word "and."

[2] In Kerr's edition, on the fourth line of p. 521, the third word should read "evaporation."

[3] At the end of the top line of p. 481, put a little "1," referring to the first footnote. In *The Student's Marx*, on the fourth line from the bottom of p. 100, the phrase "(3) and (4)" ought to read "(4) and (5)."

industry turned the various unconnected petrified forms, viz. the established detail shapes of operating tools and the established detail movements of these tools, into so many [1] scientifically applied powers for acquiring use-values.

Modern industry revolutionizes the division of labour in society, and hurls masses of labourers from one sphere of industry to another. Yet in the production of relative surplus-value it reproduces the old division of labour.[2]

A witness informed an inquiry commission that miners had no confidence in coroners' inquests upon accidents, because men who knew nothing about mines were chosen as jurymen.[3]

The general extension of the factory system destroys those old and traditional forms of industry behind which the dominion of capital is partly hidden, and the dominating sway of capital becomes thereby more clearly revealed ; and, as a consequence, opposition to capitalist dominion grows more general. Whilst capitalism enforces perfect order in the individual factories, it increases the anarchy,[4] commercial calamities, etc., for the capitalist system as a whole. But by destroying the ancient and transitional forms of industry, the domestic and small industries, capitalism destroys its own safety valve, viz. the last resort of the superfluous labourers.[5]

" Modern Industry and Agriculture "

The factory system (modern machine industry) had important results upon agriculture. Machinery displaced

[1] In Kerr's edition the twenty-second line of p. 532 has the wrong word " man " instead of the word " many."

[2] On the eighth line of p. 493 (p. 533 in Kerr's), instead of the word " very " read the word " technical " ; on the ninth line put the word " and " in front of the word " universal " ; and after the word " labourer " put a semicolon instead of the comma ; and on the tenth line, instead of the word " form," read the word " nature."

[3] In Kerr's edition the eleventh line of p. 548 has the wrong number " 306 " instead of the correct number " 360."

[4] On the fifth line from the bottom of p. 511 (the nineteenth line of p. 552 in Kerr's) put a bracket in front of the word " by," and on the third line from the bottom (the twenty-first line down in Kerr's) put a closing bracket after the word " improvement."

[5] On the second line of p. 512 (twenty-fifth line of p. 552 in Kerr's), instead of the phrase " and with it," read " and, with this last resort, destroys. . . ."

the labourers more intensely in agriculture, and met with less resistance than in the towns.

Just as the modern town industries, so in modern agriculture ; the higher productiveness of labour, and greater supply of labour-power, are necessarily accompanied by waste of labour-power and the destruction of labour-power by disease.[1]

[1] On the eighth line of p. 514 (fourteenth line of p. 555 in Kerr's), instead of the figurative word " bought," read " obtained or brought about. . . ."

PART V

"THE PRODUCTION OF ABSOLUTE AND OF RELATIVE SURPLUS-VALUE"

NOTWITHSTANDING the fact that it consists of only three short chapters, Marx's Part V is positively colossal. It constitutes a general result scientifically aimed at, and worked up to, through all the preceding chapters, through all the preceeding 515 pages of Marx's book. All the profusion of previously-given facts, and all the previous reasonings and conclusions, were preparatory to, and directly or indirectly contributory to, this culminating Part V. Not only so, but even further material is now shortly and pithily presented, for which further material Marx appears to have ransacked everywhere previously untouched. It is in this masterly way that Marx prevents the slightest loop-hole or escape from his crowning logical deductions regarding the capitalist exploitation of the working class. And thus he gives to the world, not only his wonderful and masterly conclusions, but he gives also their absolute and inviolable scientific certainty.

In the two previous parts (Parts III and IV) we were in touch with the various historic and technical details of two distinct processes. First, for the production of absolute surplus-value, there were the various ways in which the capitalist had mopped up the spare time of the labourers, and converted such spare time into so much working time. Second, for the production of relative surplus-value, there were the various labour-saving methods and devices, the various detail ways in which the capitalist had reduced the working time " necessary " to produce the labourers' living. By which innovations, there appeared an extra surplus-value;

for even more of the labourer's working time was thereby devoted to producing surplus-value.

After having presented the wonderfully comprehensive details of the two processes of surplus-value production, Marx now, in Part V, traces back surplus-value production, and the development of its basic surplus-labour, right to the very beginnings, and digs out for us the very roots of it. Altogether, Marx appears to have searched humanity's time and space ubiquitously for his data. In marvellously few words Marx here probes historic and prehistoric times, searches the climatic zones of the earth, searches civilization and savagery, searches political economy and tribal systems; in short, in the small space of about nine pages, he gives one the impression of his having ransacked the whole world for his details.

By the continued study of these Parts III, IV and V of Marx's, it dawns upon the student that these three parts are not only three closely related parts, but that they are three rising steps or three serially ascending reaches of a tremendous intellectual eminence. To use an old simile: Marx's Part III is as an intellectual mountain height, which easily discloses to one's view how the mediæval surplus-labour passed or developed into the capitalistic absolute surplus-value; his Part IV is as a comparatively greater height, which exhibits the concurrent development of relative surplus-value; and now his Part V is as even a still greater height, which soars upward as a peak away above the other heights. This lofty peak gives to the student an elevated vantage-point from which in one respect to view easily the whole capitalistic world. This lofty outlook also presents to the student a fabric of clear peeps at the old-time world in the beyond, out of which pristine and prehistoric world the present vast capitalistic world, with all its complexities, has been developed. The simile is appropriate.

In a sense this Part V of Marx's is an addendum to his Parts III and IV, for it is also a generalizing and a summing up of the already attained scientific position. Just as Marx appended the eleventh chapter in Part III, summing up mathematically the scientific aspect regarding absolute surplus-value, so now he adds Part V, partly as an addendum

to Parts III and IV, mathematically summing up the more developed aspect regarding surplus-value, both absolute and relative, wrung from labourers by capitalist exploitation. Such is Marx's Part V—three short but wonderful chapters.

"Absolute and Relative Surplus-Value"

In his Chapter VII, on "The Labour-Process,"[1] Marx had commenced his analysis by examining the production of use-values, which production is necessary to man's existence.[2] And, regarding the useful results of that process, it was plain that the labour was productive. In the simple process of labour it is unmistakable that labour is productive. Apart from the historically developed forms of the labour-process, and considered only as what it always is and always must be, viz. a process between man and Nature, whereby man produces his living by transforming natural products, it is plain that the labour is productive labour by the fact that its results are the useful forms of man's necessaries. But in capitalist production it is not so plain that labour is productive.

An individual cannot labour by himself without performing all the functions of the process. Whenever an individual labours alone, as a peasant or a handicraftsman does, his own brain necessarily directs his own hand; but in capitalist production the directing brain and the manual labour have become separated. In capitalist production, too, the individual is not by himself productive; the individual is productive, then, only as a fraction of the collective labourer, and only as performing one of the subordinate functions of the collective labourer. This is because, with the development of co-operative labour, which formed the start and base of capitalist production, the criterion of productive labour alters and broadens. No individual, then, produces use-value;[3]

[1] At the end of the first line in the first paragraph on p. 516 (beginning of the second line on p. 557 in Kerr's ed.) alter the character "V" so as to read "VII."

[2] In Kerr's edition, at the beginning of the fourth line of the chapter starting on p. 557, alter the phrase "p. 160" so as to read "p. 201."

[3] At the beginning of the ninth line on p. 517 (tenth line of p. 558 in Kerr's ed.), instead of the word "yourself," read the two words "by yourself."

but yet his labour is productive, if only he be a part of that collective body, the collective labourer, which does produce use-value.

Capitalist production, however, is not merely the production of use-value; it is indispensably the production of surplus-value. Therefore the capitalist criterion of productive labour is the surplus-value; and so, in capitalism, the productive labourer does not mean the producer of use-value—distinctly and indispensably it means the producer of surplus-value.

The special features of Marx's Parts III and IV respectively are the extensive and the intensive exploitation of labour-power. The result of extensive exploitation is absolute surplus-value, and the result of intensive exploitation is relative surplus-value; in other words, absolute surplus-value is obtained by extending the labouring-time beyond the "necessary" magnitude,[1] and relative surplus-value is obtained by reducing the "necessary" labouring-time, or by having the corresponding value produced more intensely in point of time, so as to leave more time for producing surplus-value. Relative surplus-value is relative surplus-labour, or comparative surplus-labour, embodied in the products. And this relative or comparative surplus labour implies the previous establishment of absolute surplus-labour, because the relative or comparative requires the absolute as a starting-point with which to be compared or to which to be related. In other words, the production of relative surplus-value implies that the labourer's working time had previously been divided into the time of "necessary labour" and the time of "surplus-labour"—which division, in its turn, implies the previously established subjection of the labourer.

Absolute surplus-value depends upon the lengthened working time, but relative surplus-value depends upon increased productiveness—which increased productiveness revolutionizes the labour-process, and thereby alters the social tissue or make-up of society.[2] Relative surplus-value implies

[1] On the top line of p. 108 in *The Student's Marx* the part which reads "ab (p. 41) . . ." is doubly wrong; it should read "a—b (p. 54) . . ."

[2] On the nineteenth line of p. 518 (twenty-first line of p. 559 in Kerr's) erase the comma after the term "surplus-value," and on the next line put a comma after the word "revolutionises" and another comma after

the capitalist mode of production, which commences with the merely formal subjection of the labourer to capital—which merely formal subjection of the labourer means this: that the first advantage, by which capitalism could establish itself, was only such as resulted from co-operation of the "free" labourers, and not from any comparatively hard conditions imposed by the mild new dominion of capital upon its labourers. But, once established, capital proceeded to develop the labourer's real subjection to itself, or, what is the same thing, capital developed its dominion over the labourers.

Marx shows that, in a sense, absolute surplus-value may seem to be indistinguishable from relative surplus value, for absolute surplus-value always requires a sufficient degree of productiveness, and therefore implies a previously reduced magnitude of "necessary labour," whilst, on the other hand, the labour of relative surplus-value is always an extension of labour beyond what at the moment actually constitutes "necessary labour." But in established capitalism [1] the difference between absolute and relative surplus-value is always in evidence whenever the rate of surplus-value is to be raised.

In the beginning of human industry,[2] the important geographic or territorial condition of industrial activity is "natural wealth in means of subsistence"; at a later stage, when human industry has already undergone some degree of development, the important condition is "natural wealth in the instruments of labour."

The more fertile the soil, and the less the labourer needs, indispensably, to live upon, the smaller [3] is that "necessary

the phrase "out and out." Then, on the twenty-second line (twenty-fifth line in Kerr's), put a bracket before the word "along" and a closing bracket after the seventh word, viz. "conditions," and put a comma after the word "arises" and another comma after the word "spontaneously," so as to read ". . . (along with its methods, means, and conditions) arises, and develops itself spontaneously, . . ." Also the last sentence of this paragraph should read as follows: "In the course of this development, the formal subjection, of labour to capital, is replaced by the real subjection."

[1] On the third line up from the bottom of p. 519 (top line of p. 561 in Kerr's) after the word "production" add the two words "has been."

[2] On the nineteenth line of p. 521 (twenty-second line of p. 562 in Kerr's) the word "civilisation" is out of place; the proper term is "industrial development."

[3] In Kerr's edition the twenty-ninth and thirtieth lines are transposed; the thirtieth line should be read before the twenty-ninth.

labour " which the labourer must perform for himself ; and, consequentiy, the greater is the possibility of a labourer's performing surplus-labour for others. The same consideration applies to masses [1] of labourers. But the mere possibility is all that can be accounted for by such conditions. The favourable conditions of Nature never give us anything more than the bare possibility of surplus-labour ; they never account for the surplus-labour itself. Something else is required before such possibility could ever be realized.[2] Compulsion in some form is quite necessary before there is ever such a reality as " surplus-labour."

The birth of capital could only take place in the temperate zone. Capital could only arise where man has attained to a mastery over Nature. This could only be in the temperate zone, because in the tropical zone Dame Nature is lavish to such a degree that there man is not forced to develop his powers.

As we previously saw, when studying simple-co-operation and manufacture, the productiveness of labour falsely appears to be productiveness of the capital with which labour-power is incorporated. But not only so ; [3] the " natural " productiveness of labour, or the bounty of Nature in response to labour, also falsely appears as productiveness of the capital.

The *bourgeois* economist, John Stuart Mill, absurdly accounts for surplus-value by the irrelevant fact that the labourer's means of subsistence last a longer time than does the labour of producing them ! [4] Marx points out the

[1] On the eleventh line of p. 522 (thirteenth line of p. 563 in Kerr's) put the word " whole " before the word " working " ; and on the twenty-seventh line (twenty-ninth line in Kerr's) add the word " also " after the word " but." On the twenty-eighth line (top line of p. 564 in Kerr's), instead of " the changes . . ." read " and the changes. . . ."

[2] On the seventeenth line of p. 523 (nineteenth line of p. 564 of Kerr's) the passage " . . . of surplus-value and a surplus product " should read as follows : " . . . the reality of surplus-value or of a surplus product."

[3] The last sentence of Marx's text on p. 524 (p. 565 in Kerr's), which begins with " Thus, not only does," ought to read as follows : " Thus, not only does the historically developed social productiveness of labour appear to be the productiveness of the capital with which that labour is incorporated, but so, also, does the natural productiveness of labour appear to be the capital's productiveness."

[4] On the twenty-eighth line of p. 525 (eleventh line up from the bottom of p. 566 of Kerr's) the wrong word " duration " should be " durability." On the fourth line of p. 110 in *The Student's Marx*, the wrong word " popularisers " should read " vulgarisers."

capitalist class's hopeless intellectual shallowness regarding the fact of surplus-value, and he refers to the "imbecile flatness" of the present *bourgeoisie*. The present *bourgeoisie* takes Mill's rubbish, about wage-labourers really being capitalists, etc., as the sage and philosophic outpourings from some granted "great intellect"!

"Changes of Magnitude in the Price of Labour-Power and in Surplus-Value"

Under this heading Marx deals with variations in the division of new value into price of labour-power and surplus-value. Marx had previously explained the rate of surplus-value in his Chapter IX, as also the rate and mass of surplus-value in his Chapter XI. He now, in his Chapter XVII, shows us how the mass or magnitude of surplus-value varies. And, since all value produced in capitalism is divided into the two categories of surplus-value and price of labour-power, the mass of surplus-value affects, or is affected by, the mass of labour-power's price. Consequently, the variations in surplus-value's mass is accompanied by the different variations (though not necessarily opposite variations) in the mass of labour-power's price. Therefore now Marx deals with the varying masses of the two together, and he gives the mathematical laws of the variations.

The same three factors as are concerned in value-production are also concerned in these variations, viz. (1) Length of the working day, (2) Intensity of labour, and (3) Productiveness of labour. These three associated factors may vary in many different ways or in many different "combinations." For example, any one of these factors may vary, by either increasing or decreasing, while the other two factors remain constant. Then, any one of these factors may remain constant, while the other two either increase or decrease, or while one increases and the other decreases. And, again, all three may vary together, all increasing or all decreasing, or one may increase or decrease while the other two decrease or increase, etc.

If, however, these variations differ in degree, as is practically unavoidable, the number of different combinations

possible become thereby vastly augmented, if not unlimited. Obviously, these possible combinations could not be exhaustively dealt with; nor is it necessary. It is only necessary to notice, especially, the combinations which Marx generalized as the "four chief combinations," and which he numbered respectively I, II, III and IV.

The first combination, or Combination "I," is that in which both the Length of working day and the Intensity of labour are constant, and the Productiveness of labour is variable. Combination "II" is that in which both the Length of working day and the Productiveness of labour are constant, and the Intensity of labour is variable. Combination "III" is that in which both the Productiveness of labour and the Intensity of labour are constant, and the Length of working day is variable. Combination "IV" is that with simultaneous variations of the Productiveness of labour, of the Intensity of labour, and of the Length of working day.

It is very important to notice carefully several details. The commodities concerned in these variations are those which are consumed by the labourers' living; they are therefore commodities which enter into the value of labour-power. Also, the figures used for illustrating are assumed; and it is assumed that prices are quite equal to the values. It is assumed that the commodities are sold at their values, and that the price of labour power is never below its value if sometimes above it.

First, then, Marx takes Combination "I,"[1] viz. that with both the Length of working day and the Intensity of labour constant, and the Productiveness of labour variable. With this combination Marx gives three laws that determine the magnitudes repectively of surplus-value and of labour-power's price, i.e. the two magnitudes which the newly produced value divides into.[2]

The first of these three laws is this: that despite the variable Productiveness of labour, the constant Length of

[1] On the eighth line up from the bottom of p. 528 (p. 569 of Kerr's ed.), instead of the Arabic numeral "1" (which is wrong), in front of the word "Length," put the Roman numeral "I."

[2] At the end of the bottom line, on p. 530, put a colon instead of the comma; and put the word "over" underneath, because the footnote is continued on the next page.

working day produces a constant quantity of value. This first law may be seen in the following diagram :—

Length of working day—constant Intensity of labour—constant. Productiveness of labour—variable.							
Production.	Commodities Produced.	Commodities Consumed by Labourer's Living.	Surplus Commodities.	Value per Commodity.	Price of Labour-Power.	Surplus-Value.	Total Value Produced.
Decreased..	24	16	8	3d.	4s.	2s.	6s.
Normal ..	32	16	16	2¼d.	3s.	3s.	6s.
Increased..	48	16	32	1½d.	2s.	4s.	6s.

This diagram is to be easily understood if we notice that the assumed value or price of labour-power is primarily determined by the labourer's daily consumption of sixteen commodities.

The second of the three laws is : that whilst the value or price of labour-power varies inversely, the surplus-value varies directly, as the productiveness of labour. In other words, the more productive the labour the less is the value of labour-power and the more is the surplus-value. This law is illustrated by part of the previous diagram as follows :—

Commodities Produced.	Commodities for Labourer's Subsistence.	Surplus Commodities.	Price of Labour-Power.	Surplus-Value.
24	16	8	4s.	2s.
32	16	16	3s.	3s.
48	16	32	2s.	4s.

And the last of these three laws is : that the variation

of surplus-value is not the cause, but only the effect, of the variation in value of labour-power, the increased productiveness directly causing a reduced value of labour-power, and the reduced value of labour-power directly causing an augmented surplus-value. The sequence of cause and effect may be exhibited as follows :—

First Variation.		Second Variation.		Third Variation.
Productiveness varies from 24 commodities to 32 ,, or 48 ,,	then	Value of labour-power varies from 4s. to 3s. or 2s.	and then	Surplus-value varies from 2s. to 3s. or 4s.

Marx points out that David Ricardo confounds the laws which determine the rate of surplus-value with the laws that determine the rate of profit.[1]

Next, Marx takes Combination "II," viz. that of the Length of working day and the Productiveness of labour being constant, with the Intensity of labour being variable. Under this combination the constant working day produces more value. But the labour being more Intense, there is also more wear and tear of the labour-power ; and therefore the labour-power has a higher value because it requires more repair. The increased Intensity of labour yields an augmented output, more products in the working day. But the previous augmented output, which resulted from increased Productiveness and by which the commodity's value was reduced, is not to be confused with this present augmented output. For in this case, of extra products from labour's increased Intensity, the value of the commodity remains unchanged.[2] If the price of labour-power were not to increase along with the increased Intensity of labour, then the price would be below the labour-power's value. In such case the price of

[1] On the eleventh line of p. 533 (fourteenth line of p. 574 in Kerr's ed.) put brackets on either side of the character "C," so that the passage will read "a capital (C) of £500 . . ."

[2] The sentence on the thirteenth and fourteenth lines of p. 113, in *The Student's Marx*, is doubly wrong ; it speaks of "price" instead of "value," and the declaration of the word "rises" is wrong. The sentence ought to read as follows : "The value of the individual products, therefore, does not in this case, alter."

labour-power would be below the cost of its repair, and, with a continuance of this condition, the labour-power would undergo a corresponding degradation.

Then Marx takes Combination "III," viz. that of the Productiveness and the Intensity of labour being constant, with the Length of working day variable. Within the limits of his assumptions, Marx presents three laws which operate under this combination. The first of the three laws is: that the labourer's working day creates more or less value directly in proportion to its Length.

The working day	of 12 hours	at 6d. = 6s.
The working day	of 14 hours	at 6d. = 7s.

The second of these three laws is: that every change of relation between the magnitudes of surplus-value and value of labour-power arises from the changed magnitude of surplus-value. And this is true whether the changed relation consist of a higher or a lower rate of surplus-value.

	Productiveness of labour—constant. Intensity of labour—constant. Length of working day—variable.					
	Working Day.	S.L.T.	N.L.T.	S.V.	Value of Labour-Power.	Relation of Surplus-Value to Value of Labour-Power.
	12 hrs.	6 hrs.	6 hrs.	3s.	3s.	100 %
Assuming value of labour-power not altered	13 hrs.	7 hrs.	6 hrs.	3s. 6d.	3s.	116⅔ %
Assuming value of labour-power increased 4d.	13 hrs.	6½ hrs.	6⅔ hrs.	3s. 2d.	3s. 4d.	95 %

And the third law is: that labour-power's value can change only through the prolongation of surplus-labour

reacting upon the wear and tear of labour-power. Thus a changed value of labour-power in this combination is never the cause, but only the effect, of the changed magnitude of surplus-value. As a result of the increased Length of working day, the value of labour-power [1] can only change through increased wear and tear of labour-power occasioned by prolonging the working time. Although the price of labour-power may remain the same or even rise with increased Length of working day, yet this price may be below the value of labour-power ; because the value of labour-power is based upon the repair of its normal average wear and tear.[2] " Up to a certain point the increased wear and tear of labour-power, inseparable from a lengthened working day, may be compensated by higher wages. But beyond this point the wear and tear increases in geometrical progression, and every condition suitable for the normal reproduction and functioning of labour-power is suppressed. The price of labour-power and the degree of its exploitation cease to be commensurable quantities."

Finally, Marx takes Combination "IV," viz. the simultaneous variations of the Length of working day, of the Productiveness of labour, and of the Intensity of labour. Marx explains that a great number of different combinations are possible under this heading, but that the effects of them can easily be deduced from the results already given under I, II and III. In this place he just gives a couple of important examples :—

(1) A diminished Productiveness of labour, with an increasing Length of working day. With a lengthening of working day the magnitude of surplus-value may remain unchanged absolutely,[3] but be reduced relatively ; with a greater lengthening of working day the magnitude of surplus-value may be augmented absolutely and yet remain unchanged relatively ; with a still greater lengthening of working day the magnitude of surplus-value may be augmented both absolutely and relatively. This may all be seen as follows :—

[1] In Kerr's edition, on the twentieth line of p.576, appears the wrong term " surplus-value " instead of the correct term " surplus-labour."

[2] On the seventh line up from the bottom of p. 536 (second line down p. 578 in Kerr's), instead of the erroneous words " of organised bodily matter . . ." read " of the force of organised bodily matter . . ."

[3] On the fifth line of p. 538 (tenth line of p. 579 in Kerr's) appears the wrong amount of " 6 shillings " ; it should be " 3 shillings. . . ."

Diminished Productiveness of Labour—Diminished. Working Day—Lengthened.

	Working Day Hours.	N.L.T. Hours.	S.L.T. Hours.	Commodities Produced.	Commodities for Labourer's Living.	Surplus Products Commodities.	Value Produced.	Price Labour-Power.	Surplus-Value.	of Surplus-Value
	12	6	6	28	14	14	6s.	3s.	3s.	
	12	7	5	24	14	10	6s.	3s. 6d.	2s. 6d.	Absolute decrease
Lengthened working day	13	7	6	26	14	12	6s. 6d.	3s. 6d.	3s.	Relative decrease
More lengthened day	14	7	7	28	14	14	7s.	3s. 6d.	3s. 6d.	Absolute increase
Still more lengthened working day	15	7	8	30	14	16	7s. 6d.	3s. 6d.	4s.	Absolute and relative increase

And (2), increased Productiveness and Intensity of labour, with a decreased Length of working day. " Increased productiveness and greater intensity of labour both have a like effect. They both augment the mass of articles produced in a given time. Both, therefore, shorten that portion of the working-day which the labourer needs to produce his means of subsistence or their equivalent." These three factors of social wealth production, viz. Productiveness of labour, Length of working day, and Intensity of labour, in this given serial order, affect each other as follows: Increased Productiveness of labour makes it possible to shorten the working day, and the shortened working day [1] makes it possible to increase the Intensity of labour. The Productiveness of labour and the Intensity of labour being given, the length of working day is seen to depend upon the number of society's labourers; [2] and, as the " idlers " (well-to-do sort and others) finally disappear by being deprived of their idleness, so will the human race's working day [3] be proportionately shortened.

" Various Formulæ for the Rate of Surplus-Value "

Under this heading Marx picks up an unfinished thread from his Chapter IX. In that chapter, entitled " The Rate of Surplus-Value," Marx had given us two formulæ for the rate of surplus-value, viz. one formula in terms of value and another in terms of labour. (The first, the formula in terms of value, has three different expressions, to wit, " $\frac{\text{surplus-value}}{\text{variable capital}}$ ", " $\frac{s}{v}$ " and " $\frac{\text{surplus-value}}{\text{value of labour-power}}$ "; and the other formula, in terms of labour, has, here in Chapter XVIII, only one expression, viz. " $\frac{\text{surplus-labour}}{\text{necessary labour}}$." It is very important to note this, because the two formulæ, as thus presented, may easily be mistaken for four formulæ.) And now, in his eighteenth chapter, Marx presents a third

[1] On the seventh line of p. 540 (tenth line of p. 581 in Kerr's) put the word " be " in place of the wrong word " is."

[2] On the twenty-fourth line of p. 540 (twenty-sixth line of p. 581 in Kerr's), after the word " and," add the words " in proportion."

[3] On the seventh line of p. 117 of *The Student's Marx* appears the wrong word " required " instead of the correct word " acquired."

formula expressed in terms of capitalistic slang, viz. in terms of " paid labour."

In early *bourgeois* economy, before its vulgarization, instead of any formulæ for the rate of surplus-value, we only find the " derivative formulæ "—which in reality express neither the rate of surplus-value nor the rate of profit.[1] These derivative formulæ are three in number, viz., first, the ratio of the surplus-labour to the total of new labour; second, the ratio of the surplus-value to the total new value;[2] and third, the ratio of the surplus product to the total new product. But the rate of surplus-value (the growth of the variable capital, or the degree of exploitation) cannot be seen in this way. The rate of surplus-value can be seen in the following three ways; viz. first, in the ratio of the surplus-labour to the " necessary labour," or to the labour expense of the labour-power's upkeep;[3] second, in the ratio of the surplus-value to the value of labour-power, or to the value expense of the labour-power's upkeep; and third, in the ratio of the surplus commodities to the commodities consumed by the labourer's living, or to the commodity expense of the labour-power's upkeep.

Since, in the working day, the surplus-labour is only a part of the labour, which necessarily leaves a remainder,[4] the surplus-labour must be less than the working day; or, again, since, of the total value created, the surplus-value is only a part of the value, which necessarily leaves a remainder, the surplus-value must be less than the total value created. But, although the " surplus " must be less than the total of which it is a part, this " surplus " may be as big as, or much bigger than, the remainder; and it is impossible to show this

[1] On p. 541 (p. 582 in Kerr's ed.) the first sentence in the second paragraph ought to read as follows: " One and the same ratio is here expressed as a ratio of labour-times, as a ratio of the values in which those labour-times are embodied, and as a ratio of the products in which those values exist."

[2] In *The Student's Marx*, on p. 118, there is a misprint. On the fourth line of the text the numerator of the second fraction, viz. a little "s," is missing; the line should read: " $= \frac{\text{s.l.t.}}{ac} = \frac{s}{\text{value created}} = \ldots$"

[3] On the ninth line of the text of p. 118 in *The Student's Marx* the fraction " $\frac{6}{6}$ " is entirely missing; the line should read: "of labour $= \frac{\text{s.l.t.}}{\text{n.l.t.}} = \frac{6}{6} = \ldots$"

[4] On the fifth and sixth lines of p. 542 (sixth and seventh lines of p. 583 in Kerr's ed.) the wrong word " aliquot " twice appears instead of the correct word " aliquant."

by the above " derivative formulæ," because such formulæ could not possibly express 100 per cent. Therefore, the only adequate ratio is that of the one quantity to the other, the " surplus " to the remainder $\left(\text{or}\frac{s}{v}\right)$, just as is the case with ratios in general.

The " derivative formula," viz.

$$\text{“}\frac{\text{Surplus-labour of 6 hours}}{\text{Working day of 12 hours}}\text{”}\ ^{1}$$

(which is neither the rate of surplus-value nor the rate of profit), can always be converted back to that of the rate of surplus-value by subtracting the " surplus " of 6 hours from the lower part of the fraction, the total of 12 hours, thus leaving the required " remainder " as the proper denominator.

Marx warns us that his third formula for the rate of surplus-value, viz. $\text{“}\frac{\text{unpaid labour}}{\text{paid labour}}\text{”}$, is only a popular expression—which popular expression is based upon the vulgar (or capitalistic) phrase " paid labour." In so far as the capitalist assumption of equal exchanges be true (i.e. in so far as price coincides with value), the capitalist pays only for labour-power, because it is only the value of labour-power [2] to which the price received by the labourer approximates.

" The secret of the self-expansion of capital resolves itself into having the disposal of a definite quantity of other people's unpaid labour." [3]

[1] In Kerr's edition, on the twenty-fifth line of p. 584, the fraction has an error in the denominator; the fraction should read:

$$\text{“}\frac{\text{Surplus-labour of 6 hours}}{\text{Working day of 12 hours}}\text{”}$$

[2] The sentence running from the fifth line to the seventh line of p. 544 (from the third to the fifth line of p. 585 in Kerr's) is insufficiently punctuated. It ought to read as follows: " The capitalist pays the value, so far as price coincides with value, of the labour-power; and receives, in exchange, the disposal of the living labour-power itself."

[3] De Leon, on p. 20 of his pamphlet *Marx on Mallock*, erroneously says that " Marx calls it (surplus-value) ' unpaid wages.' " This is a very serious error. It shows that De Leon had misunderstanding not only about Marx's presentation of " surplus-value," but also about Marx's teaching anent " wages." As a matter of fact, Marx came to use the phrase " unpaid labour " as an answer to the *bourgeois* slang " paid labour "; and he was careful to point out such vulgar character of the term. Daniel De Leon entirely missed this. Not only so, but he misremembered Marx's work so badly that Marx's " unpaid labour " was unintentionally bungled by De Leon into " unpaid wages "! (And see Appendix C.)

PART VI

"WAGES"

WAGES constitute a cover for the capitalistic exploitation of the working class.

Marx here, in Part VI, picks up what we may consider as another unfinished thread. In Part I (Chapter III) Marx had dealt with the metamorphosis of commodities—which metamorphosis means conversion of the commodities' forms ; as, for example, the linen commodity is converted into money by exchange, or such money is converted subsequently into bread or Bibles, etc. Marx had shown us that commodities must quit their bodily shapes and strip off their natural forms ; that, in short, the commodities must undergo transubstantiation or transmutation. Then, again, in Part III (Chapter VIII), Marx had dealt with the metempsychosis or transmigration of the values—which metempsychosis or transmigration merely means re-embodiment of the values ; such, for instance, as takes place, not only in exchange, but also in the production process, by transference of old values from the means of production into new commodities.

And now, here in Part VI (Chapter XIX), Marx picks up the subject of " Wages "—which " wages " mean the metamorphosed commodity, labour-power, or the transformed value of labour-power.

Wages are the converted value of labour-power. Labour-power has to figure as a commodity, and has to exchange away for its exchange-value. But the payment for labour-power takes upon itself the false appearance of payment for labour.

Speaking generally, the commodity form of products, under which the products exchange upon a presumed value-

for-value basis, the presence of surplus-value in the commodities is quite disguised and covered up ; [1] and the presence of the surplus-value in commodities can be discovered only by scientific analysis. It is different with the labour-power commodity. This peculiar commodity does not contain any surplus-value. But neither is there any appearance of its real self ; the working-class's labour-power, which has to figure as a commodity and has to exchange away for its exchange-value, hides behind the false appearance of labour that appears to be paid for.

So that whilst, on one hand, the commodity form (the value-for-value rôle of general capitalistic products) hides the surplus-value contained in products ; on the other hand, the commodity form of human life-strength as labour-power (falsely appearing as paid labour) hides the evil fact that from the capitalist consumption of this power there springs a surplus-value.

The capitalist exploitation of the working class is completely covered up by wages or by the commodity form of labour-power. The wage-form of labour-power's value utterly hides the unpaid labour. Or, as Marx has it : " The wage-form . . . extinguishes every trace of the division of the working-day into necessary labour and surplus-labour, into paid and unpaid labour. All labour appears as paid labour." This means that the unpaid labour, which wage-labourers embody into new commodities as a surplus-value, is completely disguised and covered up.

Wages may be either nominal wages or real wages.

The " nominal wage " is a term derived from the wage's money name—which money name means the money expression of labour-power's value. And thus the money realized by the labourer, through selling his labour-power to the capitalist, is the labourer's nominal wage, or is his labour-power's value transformed and transmigrated into money.

The real wage is the further transformed value of labour-power ; it is labour-power's value transmuted into all the

[1] It is covered up and hidden even from the eyes of the New York *Weekly People* : " No commodity, strictly speaking, ' has surplus-value ' " (*Weekly People*, December 30, 1916, p 4).

different commodities which the labourer must consume in order to live. The real wage means labour-power's value transmuted into the labourer's necessaries of life.

Both nominal wage and real wage are transformed shapes of labour-power's value. But, whilst the nominal wage is only the preliminary transformation, the real wage is the completed transformation. The whole process of transformation of the value of labour-power may be presented concisely as follows: The value of labour-power first is expressed in money terms by its price; then this expressed value of labour-power is transformed into money by realization of the price; and then the realized value of labour-power is transformed finally into the commodities which constitute the labourer's living.

Here we may notice the important fact that the word "nominal" simply means the name. The money name is the value name of so much labour-power, as "twenty shillings' worth." And "twenty shillings' worth" is the value name, whether as value merely expressed (price of labour-power), or as value realized (money), or else finally as the quantity of purchased necessaries.

So, then, the "wage" means the labour-power commodity metamorphosed into money or into other commodities. First, the wage is the transformed and transferred value of labour-power—transformed and transferred into, and realized as, money (the nominal wage). Subsequently, the wage is the further metamorphosed labour-power commodity, transformed into, and realized as, the labourer's life-necessaries (the real wage).

"The Transformation of the Value (and respectively the Price) of Labour-Power into Wages"

What is sold by labourers to the capitalist is sold where and when all other things are sold, viz. at the time of sale and in the market. Therefore that which is sold by the labourer must be such a commodity as can exist there and then in the market.

Such commodity is not labour, for labour is not a reality

in the market. Labour means the expenditure of labour-power; and this labour—this expenditure—becomes a reality only at a different time and in a different place, viz. at the working time and in the work-place. When the labourer is in the work-place, or when labour has become a reality by expenditure of the labourer's labour-power, the labourer is out of the market, and the sale which he had made is then a thing of the past. By the time when the labourer works, that which he sells to the capitalist is no longer his to sell. Therefore the labourer does not sell his labour. In the market-place, where sales are made, that activity, labour, is not yet a fact or reality; and, being not a "man of substance," of course, the labourer can sell only that which is a reality at the time when he sells in the market. Such reality is only the labourer's power to labour or his labour-power.[1]

A very important point in this chapter of Marx's is the fact that, though embodied labour is the substance of value, yet the labour itself does not possess any value of its own. [As this matter sometimes is difficult to grasp, it will be appropriate here to illustrate the point by analogies: John Smith possesses furniture. Wood is the substance of that furniture; but the wood itself has no furniture. "The oak's furniture" is an expression as imaginary as "the furniture of codfish" (or as "the value of labour"). John Smith also possesses boots. Leather is the substance of those boots; but the leather itself has no boots. "The leather's own boots" is an expression as imaginary as "the boots of Puss-in-boots" (or as "the value of labour"). John Smith has good warm trousers. Wool is the substance of those trousers; but the wool itself has no trousers. "The wool's trousers" is an expression as imaginary as "the trousers of a cock-sparrow" (or as "the value of labour"). John Smith takes porridge for breakfast. Oatmeal is the substance of that porridge; but the oatmeal itself has no porridge. "The oatmeal's own porridge" is an expression as imaginary and as silly as the absurd expression "labour's own value."

[1] On the thirteenth and fourteenth lines of p. 547 (p. 588 in Kerr's; also on the last line of the second paragraph at p. 120 in *The Student's Marx*,) instead of the word "it," read the words "labour-power."

Labour is the substance or matter of value; but, of course, the labour itself has no value.]

The sale and purchase which take place between labourer and capitalist seem, at first sight, to be of the same character as all other sales and purchases; for the buyer surrenders money, and the seller surrenders a something different to money.[1] But "if such a thing as the value of labour really existed, and he (the capitalist) really paid this value, no capital would exist, his money would not be turned into capital."

Use-values are realized only by consumption. And the capitalist realizes the use-value of labour-power only by consuming it. This he does by setting the labour-power to function,[2] or by setting it to expend itself and to embody its expended self as materialized labour in the new commodities.

To the labourer who labours a whole day in return for half a day's product (or, what is the same thing, produces 6s. worth of value for a payment of 3s.)—to such labourer the whole day's labour is his means of obtaining[3] the 3s. The changing price of labour-power (resulting from changing prices of necessaries or from other causes) appears to such a labourer[4] as the changing price of the day's labour.

Wages are merely the realized value or price of labour-power. The false appearance of wages, as value or price of labour, exhibits a difference between appearances and underlying reality similar to what is found in all other phenomena not rectified by science. Classic economy nearly rectified this false appearance of wages; but it could not[5] quite manage the rectification — which rectification could not happen until Political Economy had become Proletarian Science.

[1] On the tenth line of p. 551 (p. 592 in Kerr's ed.), after the word "seller," read the word "gives"; on the fourteenth line read the word "value" instead of the wrong term "exchange-value."

[2] On the twenty-third line of p. 551 (p. 592 in Kerr's), instead of the phrase "his labour-power" read "simply his labour-power."

[3] On the twenty-third line of p. 551 (p. 592 in Kerr's ed.), instead of the figurative passage "buying the 3s.," read "acquiring the 3s."

[4] In *The Student's Marx*, on the eighteenth line of p. 121, instead of the words "is, to him," read "appears to him to be . . ."

[5] On the eighth line of p. 553 (ninth line of p. 594 in Kerr's) read the word "do" after the word "cannot."

"Time-Wages"

Under this heading Marx tells us, amongst other things, that the wailing of London master bakers about the shameful things which competition compelled them to do illustrates the fact that only the appearances [1] of things affect their minds. When the capitalist works his labourers upon overtime, he does not know that this is no more than simply extending the same exploitation of labourers as obtains during ordinary working hours. The capitalist does not know that the ordinary working hours and the hours of overtime both include unpaid labour.[2]

"Piece-Wages"

The payment of wages by the piece does not alter the essential character of wages. In either time-wages or piece-wages the wages only express the value of labour-power. The wage labour necessarily includes unpaid labour. This is easily seen upon analysing the products—whether we analyse them as values [3] or as embodied labour-time,[4] or as divided into proportionate parts corresponding to constituent parts of the value.[5]

Piece-wage is only time-wage in a modified form, and it is therefore equally irrational. Piece-wage does not express

[1] On the fourth line of p. 561 (p. 602 in Kerr's), instead of "the appearance only of the relations of production," read "only the appearance (of the relations of production) . . ."

[2] In *The Student's Marx* a sentence on the ninth and tenth lines of p. 124 says: "This extra *pay* includes unpaid labour, just as the *price* of the customary hours includes unpaid labour"! But "pay" or "price" could not possibly include the opposite—the unpaid, the non-price or non-pay. The real case is this: that, even though the labourer get extra pay for overtime, the labour of overtime includes unpaid labour or "surplus-labour." But the same error is in the translation of Marx's text, probably through faulty translation. On the fifteenth line of p. 561 (p. 600 in Kerr's), instead of the phrase "this extra pay," read "the overtime labour under this extra pay"; and, on the next line, instead of "the price," read "the labour under the price . . ."

[3] On the twelfth line of p. 563 (p. 604 of Kerr's), instead of "the value," read "the new value."

[4] On the nineteenth line of p. 563 (p. 604 in Kerr's), instead of "half paid," read "half paid for."

[5] On the twentieth line, instead of "is the equivalent only of," read "is the equivalent of only . . ." On the twenty-first line, instead of "surplus-value," read "the surplus-value."

nor measure any value relation; it is merely a mode [1] of measuring embodied labour by the articles produced. In time-wage the labour is measured by the clock; in piece-wage [2] the labour is measured by its results. At bottom, however, the wage itself is absurdly determined [3] by equating the so-called "value of the day's labour" with the daily value of labour-power.

Changes in piece-wages are constantly the preludes to battles between labourer and capitalist, because under cover of these changes the capitalist reduces wages; or because increased intensity of labour goes along with increased productiveness; or else because the labourer (who imagines [4] himself to be paid for his product) objects to receiving less than what he has been used to receiving.

"National Differences of Wages"

In order to compare the wages of different countries it is necessary, first, for each country, to reduce the various working days to an average working day; and then it is necessary to translate the time-wage of such average day to a piece-wage, because a piece-wage is the only means [5] of measuring both productiveness and intensity of labour.

In any nation that measure of value, the labour-time,[6] is affected only by labour of greater intensity than the nation's normal intensity.

According to the different degrees of industrial development in different nations there are different intensities of labour. In the nation with highly developed capitalist industry the value of labour-power will be comparatively

[1] On the twenty-ninth line, instead of "but on the contrary of," read "but, on the contrary it is a question of . . ."

[2] On the thirty-second line of p. 563 (p. 604 in Kerr's), instead of "duration, in piece-wages by," read "duration; in piece-wages the labour is measured by . . ."

[3] On the thirty-fifth line, instead of "the equation," read "the irrational equation . . ."

[4] On the twentieth line of p. 569 (eighteenth line of p. 610 in Kerr's), instead of "viz. that his," read "viz. thinks that his . . ."

[5] On the twelfth line of p. 571 (tenth line of p. 612 in Kerr's), instead of "the latter only," read "only the latter . . ."

[6] On the nineteenth line of p. 571 (seventeenth line of p. 612 of Kerr's), instead of "the measure of value by the," read "that measure of value, the . . ."

high, owing to greater wear and tear through more intense labour—which high value, correspondingly, will be expressed in much money. On the other hand, compared with the value of this intensely worked labour-power, the value of money, of course, will be low.[1] And so the high value of labour-power, being expressed in money whose value remains comparatively low, will manifest itself accordingly in high money wages.

[This declaration of Marx's (in his chapter on international wages) means only that the value of money is low relatively (i.e. compared with the value of labour-power in a country of highly developed industry). That this is the meaning is confirmed in three ways: First, the basic subject under discussion is the value of labour-power, for it is this value that becomes transformed into wages. Second, if the value of money be compared with the value of a commodity produced by high productiveness of labour, it will not be low; the money's value will be comparatively high. Third, the absolute value of gold or money is not altered by the general productiveness of labour; gold's value is established by gold-mining, by the socially necessary labour embodied in its own production; and therefore it cannot be that gold's own value is to be compared with itself in different countries, for the value does not alter in different countries, apart from different small quantities of labour socially necessary to convey the gold into them. So the only two senses in which the industrial conditions of any country can affect money are: first, in money's relation to the country's generality of commodities, and second, in money's relation to the country's one special commodity, labour-power. And we see that in the first relation, viz. in relation to the cheaper general output of higher productiveness, the value of money would be relatively high. Therefore it can only be in the

[1] On the fifth and sixth lines of p. 572 (third and fourth lines of p. 613 in Kerr's), instead of "value of money will therefore be less," read "value of money (compared with the value of labour-power, or with the value of the daily product) will therefore (i.e. because of the greater intensity of labour) be less . . ." On the seventh line (fifth line in Kerr's) strike out the first two words "mode of." And on the ninth line (seventh line of Kerr's), instead of "labour-power expressed," read "labour-power (which, in the first nation, is expended in a higher intensity of labour and therefore is of higher value) expressed . . ."

other relation, viz. in relation to labour-power consumed with increased intensity of labour, that the value of money here can be comparatively low.]

An English manager in Oldenburg declared that the German workers there, under English overlookers, produced less in 14½ hours than the English workers there produced in 10 hours; but under German overlookers they (German workers) produced even less [1] than under the English overlookers.

[1] On the eighth line of p. 573 (fifth line of p. 614 in Kerr's), instead of "overlookers much less," read "overlookers they supplied much less."

PART VII

"THE ACCUMULATION OF CAPITAL"

MARX'S Part VII (comprising his Chapters XXIII, XXIV and XXV) is a further demonstration of the capitalist exploitation of the working class. In addition, it is also an awful demonstration of the robbery of the working class. It is a most damning indictment of the capitalist system.

Just as, amongst proofs of systematic house-breaking, the accumulated proceeds of many detail burglaries are the most clinching proof, so is it with the proofs of capitalism's exploitation of the working class. Amongst the many proofs of systematic and merciless exploitation of wage-labourers, the accumulated results of that exploitation constitute the most damning proof. (This exploitation is not to be confounded with robbery or expropriation of the working class. Exploitation and expropriation are two different and distinct economic categories.) For capitalism to have its accumulation of capital thus unveiled and illuminated is " to be caught with the goods " !

Marx writes a short Introduction to his Part VII—which Introduction opens with a very fine paragraph summarizing the turnover of a value as capital. He then gives the first essential of capitalist accumulation, viz. acquirement of surplus-value by the capitalist, whose labourers embody the surplus-value in commodities.[1] He then tells us that the first possessor of surplus-value is not necessarily the ultimate possessor of it ; for, after its extraction from labourers as unpaid labour, the surplus-value breaks up into revenue

[1] Regarding the embodiment of surplus-value in commodities, Marx's words here are : " The capitalist who produces surplus-value—i.e. who extracts unpaid labour from the labourers, and fixes it in commodities . . ." (*Capital*, S.S. ed., p. 576 ; Kerr ed., p. 618). Yet the New York *Weekly People* for December 30, 1916, says that commodities have no surplus-value !

fragments for various members of the capitalist class. But, for the purpose of our study, Marx notifies us that the exploiting capitalist, who is first owner of the surplus-value, will be regarded as representative owner of the surplus-value—which, of course, is assuming no more than what actually occurs in capitalist industry.

Capital is a quantity of value which goes through the career or process that characterizes capitalism. Briefly, that process is this: a certain quantity of value in the form of money is invested and changed into means of production and labour-power; then, in these changed forms, the capital-value enters the labour-process, where the labour-power is expended upon the means of production, with the result that the two forms of the capital become transformed into new commodities (that is to say, the labour-power turns into active labour, and this labour embodies itself in the means of production to transform them into new products); then, in their turn, these new products or new commodities are put upon the market and turned into money by being sold; and, when the capital-value thus returns to its money form, it is found to have expanded its bulk and to have become a bigger value.

This expansion of capital-value happens only because the value of labour-power and the other value which that labour-power produces are two very different quantities.

If the process of production be viewed as a continuous process, it is seen to be not only the production-process, but also a process of reproduction. The total capital itself is reproduced when the capitalist has withdrawn, in the form of surplus-value or revenue, as much value as he originally invested, and yet has the original quantity of capital-value still invested.

In capitalist production, where the turnover is continuously repeated, not only are commodities and surplus-value produced, but all the conditions necessary for the continuous process itself are also continually reproduced. Raw materials disappear, and must be renewed; implements, plant and machinery become worn out, and must be replaced; the daily strength of the labourer becomes exhausted, and he must be fed up so that his power may be restored. Also, the social conditions of the working class, necessary to

capitalist production, must be reproduced; for example, the wage-labourer's condition of being dependent upon, and subservient to, capital. So any surplus which the labourer produces, the possession of which might spoil him as a willing labourer, must be carefully removed from him and put beyond his reach.

Such, then, is the stage or degree of " simple reproduction of capital," in which the capital maintains its original dimensions whilst throwing off surplus-value as revenue for the capitalist to live upon. But " capitalist accumulation " goes beyond this degree; for the accumulation of capital means the conversion of surplus-value into fresh capital to function alongside of, and in addition to, the original dimension of capital. Thus, an operating capital of £1,000, accumulating at the rate of 10 per cent., progressively becomes a capital of £1,100, £1,210, £1,331, and so on. And thus, after having shown us how surplus-value arises from capital, Marx shows us how fresh capital " arises from surplus-value."

Here comes an interesting point. As long as accumulation takes place without any change in the composition of capital (that is, as long as increased capital includes the same proportional parts of " means of production " and " wages," or same relation of the " constant " part to the " variable " part of capital), just so long will the time of rapid accumulation constitute the very best time under modern conditions for wage-labourers. But here comes also the rub !

Every individual accumulation of capital is more or less a concentration of means of production and more or less a command over the labourers. The growth of individual capitals is thwarted to some extent by the splitting up of old capitals and concentration of fresh capitals, partly through division of property in capitalist families. This form of accumulation leads to competition amongst individual capitals, to consequent development of labour-saving apparatus, and therefore to development of higher organic compositions of capital. The composition of capital becomes altered, so that a greater mass of value is invested in means of production, whilst a relatively smaller mass of value is invested in labour-power. With this higher composition of capital, the wage-labourers become partly " superfluous," and are therefore

discharged accordingly. Thus it comes about that one part of the industrial cycle, the comparatively busy time, is inevitably followed by that other part, the " slack time," or time of industrial slump and " unemployed problems."

Not only does accumulating capital need partially to supersede the labourers by labour-saving devices, thus rendering workers upon the labour market " superfluous," but at the same time it also needs to retain its hold over them, in order to check the pretensions of those allowed to remain at work as well as against future exigencies. Therefore capital produces even such an anomalous position. With capitalist accumulation, from cycle to cycle of capitalist industry, the position of the working class becomes ever more precarious. Labourers come to be more at the mercy of capital ; they come to be more " superfluous," and proportionately thrown out of work and pauperized. But one capitalistic essential is that available labour-power shall be at the disposal of capital ; that is, that it shall belong to capital whether it be wage-worked or not, whether it be purchased and paid for or not. By means of this capitalist essential the working class come to be exploited more completely, either as actual workers or (to slightly stretch the sense of " exploited ") as a menacing check upon actual workers.

Owing to the cotton famine in England, consequent upon the American Civil War, in the sixties of last century the cotton operatives of Lancashire were thrown out of work wholesale—half a million of them, with " 700,000 dependents." Emigration to the colonies or America would have relieved greatly the dreadful situation of these unfortunate people. But, in Marx's words, " the proprietary rights of capital over labour-power [were] . . . unblushingly asserted."[1] And three pages further on, after exposing this " proprietary " spirit of capital, Marx tells us : " Their emigration was prevented." Not that this " proprietary " attitude was then fresh at all ; for " in the eighteenth century the hunted-out Gaels were forbidden to emigrate from the country, with a view to driving them by force to Glasgow and other manufacturing towns." [2]

But now we reach an important departure. The concen-

[1] *Capital*, p. 587 ; Kerr ed., p. 629. [2] *Capital*, p. 753 ; Kerr ed., p. 801.

tration of capital in many hands, which is practically identical with increase or accumulation of social capital as a whole, leads to another kind of accumulation which Marx calls " the centralization of capital."

The principal lever by which the " centralization " is accomplished is competition. In competition it is cheapness that wins ; cheapness generally depends upon high productivity of labour ; high productivity of labour in capitalist production depends upon high composition of capital ; and the high composition of capital always and necessarily means a comparatively big operating capital. And, as time goes on, the minimum amount of value that can function as an individual capital gets ever bigger. Therefore it is that the bigger capital always beats the small fry sooner or later, leisurely to fatten upon their ruin.

Hence the two different forms of capitalist accumulation : the " concentration " of capital, leading to that other form, the " centralization " of capital.

Centralization of capital simply means this : that " capital grows in one place to a huge mass in a single hand, because it has in another place been lost by many."[1]

The concentration of capital always means an increased formation of capital ; it always means an increase in the totality of social capital. But, on the other hand, the centralization of capital only means a unifying rearrangement of capital already in existence, and it may happen without any absolute increase of capital. The centralization of capital may even cause, or be accompanied by, partial destruction of social capital. By the centralization of capital the power over the labouring class (developed by accumulation proper or concentration) is carried on and developed further, but more rapidly. The limit of centralization for capital in any one line of industry is the uniting of all that industry's capital under one directorship, or the superseding of the industry's many individual capitals by partial or complete conversion of these capitals into one single capital stock. So that, if there came to be only one concern in one industry, the process of centralization of capital would be completed so far as regards that one industry.

[1] *Capital*, p. 640 ; Kerr ed., p. 686.

Accumulation in the form of concentration is an increase of society's total capital. But centralization is not necessarily an increase of capital; it is a mere gathering together—a mere amalgamating or amassing—of the capital already existing. Centralization of capital makes the pace hotter, so to speak, and heightens the composition of capital more rapidly than does concentration of capital.

And thus it is that we have, progressively, the ever more oppressive capitalistic cycle. Bigger accumulation of capital brings a higher composition of capital; higher composition of capital yields a higher rate of surplus-value and a greater mass of surplus-value; the higher rate and greater mass of surplus-value gives an accelerated rate of capitalist accumulation—give more rapidly increasing capital and still bigger accumulations of capital.

Marx concisely states "the general law of capitalist accumulation."[1] He tells us that the greater the functioning capital of society, the greater its growth, the greater its rate of growth, the greater the mass of proletarians, and the more productive these proletarians' labour;[2] the greater also is the number of unemployed who form "the industrial reserve-army." "The same causes which develop the expansive power of capital, develop also the labour-power at its disposal. The relative mass of the industrial reserve-army [unemployed] increases therefore with the potential energy of wealth. But the greater this reserve-army in proportion to the active labour-army, the greater is the mass of a consolidated surplus-population, whose misery is in inverse ratio to its torment of labour [this is to say, the less they are tormented in the labour-process the more miserably poverty-stricken they are; and, conversely, the less their miserable poverty, the more is their torment of labour]. The more extensive, finally, the lazarus-layers of the working class, and the industrial reserve-army, the greater is official pauperism . . ."

Underlying this general law is the previously stated important fact that, in periodic cycles of capitalist production, the accumulation of capital results in progressively higher

[1] *Capital*, pp. 659–660; Kerr ed., p. 707.

[2] On the eleventh line from the bottom of 659 (twenty-first line from bottom of p. 707 in Kerr's) put a semicolon instead of the comma after the word "labour."

compositions of capital. The prime reason, then, why capitalist accumulation means progressively worse conditions for the working class is that the accumulation always leads to higher organic compositions of capital.

But, besides the awful and merciless exploitation of the working class, there are features, of secondary importance, which yet serve both to aggravate the grievous plight of the working class and to augment the already big total of accumulation. In other words, there is also the expropriation or robbery of the working class. To augment the accumulation of capital, labour-power is not paid for at its full value. To augment the accumulation of capital further, the expenses of working are cut down by robbing the working class meanly and outrageously of its proper working conditions, such as proper space, light, sanitation, safety, etc. Not only so, but the working class is also robbed meanly and mercilessly of its proper living conditions. The prices exacted from labourers for their necessaries of life, for the things which they must buy in order to live, are often out of all proportion to the value of them. On top of all this the working class is further robbed by means of taxes; for instance, the charity taxes which capital so well knows "how to throw . . . for the most part from its own shoulders on to those of the working class and the lower middle class."[1]

Altogether, therefore, Marx's Part VII, on "The Accumulation of Capital," constitutes a most damning indictment of the capitalist system.

At the end of this part Marx illustrates the "General Law of Capitalist Accumulation" under six different headings: "(*a*) England from 1846 to 1866, (*b*) The badly-paid Strata of the British Industrial Class, (*c*) The Nomad Population, (*d*) Effect of Crises on the best-paid Part of the Working Class, (*e*) The British Agricultural Proletariat, and (*f*) Ireland."[2]

As Edward Aveling says,[3] "This invaluable section is devoted to a series of statistics taken from Inland Revenue, Census, Blue Book, and other Reports, all in proof of the

[1] *Capital*, p. 659; Kerr's ed., p. 707.
[2] *Capital*, pp. 664–735 inclusive; Kerr's ed., pp. 711–783.
[3] *The Student's Marx*, p. 146.

general law given . . .," viz. the above " General Law of Capitalist Accumulation."

Capitalist accumulation, then, means the growth of any capital's functional magnitude; for example, a value commencing its turnover or circuit as a capital of 1,000, which starts a second circuit as a capital of 1,100, starts a third circuit as a capital of 1,210, and so on. But, before proceeding to consider the actual accumulation or the augmentation of operating capital, Marx first deals with the fundamental degree of " simple reproduction." For, besides throwing off revenue for the capitalist's living, the capital, in its turnover or circuit, must renew all the conditions for traversing the circuit again upon the original scale—before it can further accumulate. And this means that, before capital can augment as a functional total, it must first function up to the degree of " Simple Reproduction."

" Simple Reproduction " [1]

Marx had shown us, in his Chapter VI,[2] that money does not become capital merely through commodities being produced and exchanged. Money's conversion into capital required, as a preliminary, separation of means and conditions of labouring from the labourer's ownership. But he shows us here that, in the continual process of capitalist production, what was a starting-point for capital becomes a result of it; the labourer's non-possessing or proletarian condition is continually reproduced.

Capitalist production being the capitalist consumption of labour-power, the product is constantly converted, not merely into commodities, but into capital—into value that consumes fresh labour-power, and into means of subsistence which secure the labourer with the precious labour-power (just as hay and oats ensure the precious horse).[3] The product

[1] The titles of Marx's chapters, etc., are here given merely as guides. I am not here presenting, nor even indicating, Marx's work under such titles. I am only presenting enough of Marx's matter to carry the corrections and remarks of my notes.

[2] On the sixth line of p. 582 (ninth line from bottom of p. 624 in Kerr's) alter the numeral " IV " to read " VI."

[3] On the twenty-third line of p. 583 (seventh line of p. 625 in Kerr's), instead of the poetic but wrong words " buy the person of the labourer," read " conserve and re-deliver the labourer . . ."

of labour is partly converted into a special division of the capitalist's general means of production—which special division, means of subsistence for labourers, produces labour-power and thus ensures the labourer's reappearance. The money obtained by the labourer for his labour-power is converted into his means of subsistence.[1]

"Conversion of Surplus-Value into Capital"

The surplus product[2] obtained by capitalists as surplus-value consists of something more than the mere living and luxury of the capitalist class; otherwise there would never be any capitalist accumulation; there would never be anything more than simple reproduction.

If an individual producer of any fresh capital be exploited by that same fresh capital, such producer must not only increase the capital, but, in order to exist, he must obtain possession[3] of results of his previous labour at the expense of greater magnitudes of present labour.

Surplus-value, normally, is not the result of any keen buying. The peculiar commodity, labour-power, supplies labour; and, in so doing, it reproduces[4] its own value-equivalent and a surplus-value to boot. But that surplus-value does not result from buying the labour-power cheap; it results from capitalist consumption of the labour-power.

In simple reproduction all surplus-value is consumed or destroyed by capitalists as revenue for living, etc.; in capitalist accumulation, only portion of the surplus-value is so consumed and the rest of it is converted into fresh capital.[5]

In the individual deal between capitalist and labourer there is the appearance of an equitable exchange, through the deal being in accord with the laws of commodity exchange;

[1] On the tenth line of p. 584 (seventh line of p. 626 in Kerr's), instead of "this is his," read "this is for his . . ."

[2] On the third line from the bottom of p. 593 (p. 635 of Kerr's), instead of "Only of things," read "Does it only consist of things . . ."

[3] On the ninth line of p. 596 (p. 638 in Kerr's), instead of the wrong words "buy back," read "acquire."

[4] In the Kerr edition, on the seventh line of p. 641, the wrong word "reproduce" should read "reproduced."

[5] In the Kerr edition, on the twelfth line of p. 642, instead of the wrong word "money," read the word "capital."

for the seller of labour-power realizes the exchange-value of his commodity, and the buyer realizes its use-value, consumes it—which appearance of fairness, however, disappears when we consider the class of capitalists dealing with their opposite,[1] the class of labourers, although so to consider the matter is to apply, as a standard, humanity's view-point instead of commodity production.

The established rights[2] of commodity production and exchange (originally based upon an individual's right to own and dispose of his own product) continue, as such established rights, even when the effect has become transformed into their direct opposite for the producer. These established rights continue into capitalism, wherein the product of unpaid labour is owned by the non-producer, by the non-labouring capitalist.

"Separation of Surplus-Value into Fresh Capital and Revenue"

By the laws of capitalist development the formation of fresh capital, from part of the surplus-value, is forced upon the capitalist through the medium of competition. The development of capitalism prepares the conditions necessary for a higher human existence; and it is only in so far as the capitalist personifies capital in that historic process that the capitalist has any historic value or is entitled to the slightest social respect. Not that the capitalist is at all conscious of, or actuated by, this real historic rôle. Emphatically, he is not actuated by the acquisition of use-values; he is actuated only by the production and acquisition of value,[3] and by

[1] In the Kerr edition, on the thirty-fifth line of p. 642, instead of the wrong word "antagonist," read "antithesis . . ."

[2] In the Kerr edition, on the seventeenth line of p. 643, appears the wrong word "virginity" instead of the correct word "rights." Also the punctuation in the last sentence of this paragraph is very faulty: at the end of the twenty-first line put a semicolon instead of the comma after the word "force"; on the twenty-fourth line put a semicolon instead of the comma after the word "labour"; strike out the comma after the word "those" at the end of the twenty-sixth line; put a comma after the word "appropriate" on the twenty-seventh line, delete the comma after the word "themselves" on the same (twenty-seventh) line, and put a comma after the word "again" on the twenty-eighth line.

[3] On the tenth line of p. 603 (fourth line of p. 649 of Kerr's) strike out the word "exchange," which is wrong.

value's expansion as capital. The capitalist mercilessly drives the human race to a feverish and frantic value-production for value-production's sake.

"Circumstances that augment the Accumulation over and above the Capitalized Surplus-Value hitherto considered"

In our study of the production of surplus-value, labour-power was constantly assumed to be exchanging at its value. But the position presented thereby is surpassed by the real state of the case. The forcible reduction of wages below the value of labour-power[1] yields to the capitalist an additional fund for accumulation.

The so-called "domestic industry" showed how shamefully the labourer's necessary fund for consumption is partly converted into a fund of surplus-value for the accumulation of capital.[2]

In the so-called "manufacture" of the factory, more exploited labour-power necessitates more raw materials, though it does not necessarily mean more instruments. But since extractive industries (in mines, quarries, forests, etc.) furnish factories with raw materials, not only for the bodies of products destined for individual consumption but also for the bodies of instruments of labour[3]—since this is so, increased products from extractive industries, without extra outlay of capital, leads to similarly increased products, without extra outlay of capital, from factories also; and by means of this increased productiveness of labour the accumulation of capital is accelerated, even though the additional capital be of diminished value through increased productiveness. But surplus-value production increases more rapidly than

[1] On the nineteenth line of p. 611 (p. 657 in Kerr's), after the word "limits" read "(viz. between the value of labour-power and the minimum existence wage) the labourers . . ."

[2] On the twenty-fifth line of p. 614 (p. 660 in Kerr's), instead of "sect. 8, c," read "sect. 8, d."

[3] In the middle of the first line of p. 616 (second line of p. 662 in Kerr's) put a comma after the word "And." On the third line (fourth line of Kerr's), instead of the words "and those of," read "and those (the raw materials) of . . ."

the accumulation; it increases more rapidly than does the mass of added capital-value.

As the productiveness of labour increases, so the mass of products, which embody a given value or given surplus-value, also increases. Therefore the mass of surplus product increases[1] independently of any increased rate of surplus-value.

Through labour with higher productiveness producing more use-values, a capital-value comes to be embodied in more means of production; and the production of surplus-value is accelerated[2] more quickly than the conversion of surplus-value into fresh capital.

As the technical parts of old capital become superseded by more modern forms, the functioning old capital depreciates. But any acutely felt effects of this depreciation simply constitute more burden for wage-labourers,[3] because the capitalist seeks his compensation in increased exploitation of the labouring class.

In the same working time and with the same intensity of labour, a spinner in England and a spinner in China will create the same value. But, owing to his working with a huge factory automaton, the English spinner will turn out hundreds of times more useful product than will the Chinaman. This means also that the English spinner will transfer hundreds of times more old value [4] into new products from the means of production than will the Chinese.

While the labourer creates new value, he also conserves and transfers old value from industrial capital into the new

[1] The sentence which begins on the sixteenth line of p. 616 (seventeenth line of p. 662 in Kerr's) should read as follows: "The rate of surplus-value remaining the same (or even falling, so long as it only fall more slowly than the rate at which the productiveness of labour rises), the mass of surplus product increases." On the fourth line up from the bottom (third line up in Kerr's), instead of the words "materials of labour and," read "in more materials of labour and in more . . ."

[2] On the top line of p. 617 (second line of p. 663 in Kerr's), after the word and comma "diminishing," read "with the increased productiveness" before the next word "accelerated."

[3] On the seventh line of p. 618 (tenth line of p. 664 in Kerr's), instead of the passage "in the increased exploitation of whom," read "in whose increased exploitation"; i.e. for the word "the" substitute the word "whose," and delete the words "of whom."

[4] On the twentieth line of p. 618 (twenty-third line of p. 664 of Kerr's), instead of the phrase "between the value," read "between the total value." On the twenty-sixth line (twenty-ninth line in Kerr's), instead of "those reappear," read "those old values reappear . . ."

commodities. Therefore, as the functioning capital grows with increased productiveness of labour,[1] the labourer conserves and transfers an ever-increasing mass of capital-value.

Since dead labour (past labour embodied as value in previous products) becomes disguised as capital,[2] a vulgar economist extols it as deserving of interest, profit, etc.

Vulgar economists are quite unable to think of means of production apart from capital, just as the slave-holder[3] is unable to think of his labourer but as a chattel-slave.

With a given degree of labour-power exploitation, the more massive the accumulated capital, the greater is the value[4] produced for the capitalist's consumption and for further accumulation.

"The So-called Labour Fund"

Amongst other things, under this heading, Marx points out that, although such people as John Stuart Mill[5] are responsible for the vulgarization of Political Economy, still they are quite separate from the mob of capitalist apologists.

"The General Law of Capitalist Accumulation"

Inter alia, under this title, we learn :—

With the same composition of capital (that is, with the same proportions of constant capital and variable capital) an increase in the capital's total means not only proportionally

[1] On the third line of p. 619 (seventh line of p. 665 of Kerr's), instead of "production, consequently," read "production, and consequently . . ." The wrong term "exchange-value" appears half a dozen times on this page instead of the correct term "value"; viz. on the eighteenth, thirtieth, thirty-second (twice), thirty-fifth and thirty-ninth lines (the twenty-second, thirty-fourth, thirty-sixth, thirty-ninth, and forty-third lines in Kerr's edition).

[2] On the twenty-fifth line of p. 620 (p. 666 in Kerr's), instead of "the passive of," read "the passive form of . . ."

[3] On the seventh line of p. 621 (ninth line of p. 667 in Kerr's), instead of "a slave-owner to," read "a slave-owner is to . . ."

[4] On the sixteenth line (seventeenth line in Kerr's), instead of "increase that is," read "increase—the sum that is . . ."

[5] In the footnote of p. 623, on the sixth line up from the bottom, instead of "e John Stuart Mill," read "like John Stuart Mill . . ."

more constant capital, but also proportionally more variable capital [1]—a proportionally increased demand for labour-power.

Those two phases of the industrial cycle, the phase of crisis and the phase of prosperity, express [2] themselves respectively as a rise and fall in the value of money.

"Comparative Diminution of Variable Capital in Capitalist Accumulation"

Apart from the natural conditions of human labour, such as the bounty of Nature, etc., the productivity of labour is indicated by the quantity of means of production which the labourer converts into new commodities with a given intensity [3] of labour.

But increased masses of means of production play two different parts: some of them are a result of previously increased productiveness of labour, and others of them constitute a condition or pre-requisite of present increased productiveness. In a labour process the increased mass of raw materials, etc., are results of increased productiveness in other labour processes; but the increased mass [4] of instruments, etc., form an indispensable condition for increased productiveness of present labour.

The changing organic composition of capital only approximately indicates the changing technical composition of the capital; for industrial development causes the value of a given mass of means of production to fall, and also causes diminution of the invested variable capital. With increased productiveness of labour, not only does the mass of means of

[1] On the eleventh line of p. 626 (thirteenth line of p. 672 in Kerr's), instead of "labour and the," read "labour and for the . . ." On the twelfth line (fourteenth line in Kerr's), the word "increase" should read "increases . . ." On the thirteenth line (fifteenth line in Kerr's), the passage, "the more rapidly the capital increases," ought to read "as the capital more rapidly increases."

[2] On the sixth line up from the bottom of p. 633 (fourth line up p. 679 in Kerr's), instead of "as a fall," read "is expressed as a fall . . ."

[3] In *The Student's Marx*, on the bottom line of p. 141, the term "(l)" should be "(i)."

[4] On the ninth line of p. 636 (twelfth line of p. 682 in Kerr's) put a bracket before the words "of machinery," and on the next line put a closing bracket after the term "&c."

production increase, but the value of such increased mass comparatively falls.[1]

In proportion as capitalist production and capitalist accumulation develop, so also develop competition and the credit system.[2]

The centralization of capital hastens the revolutions in capital's technical composition—which revolutions mean increases of means of production and relative decreases[3] of the demand for labour-power.

"The Comparative Increase of the Industrial Reserve-Army"

The accumulation of capital leads to altered proportions between constant capital and variable capital. Supposing[4] the proportion to have been 1 to 1, it progressively becomes 2 to 1, 3 to 1, 4 to 1, and so on; so that, as the mass of capital-value increases, the variable component progressively becomes $\frac{1}{2}$, $\frac{1}{3}$, $\frac{1}{4}$, and so on.[5]

The relative diminution of variable capital is more rapid than the concurrent increase of accumulating capital-value. Yet the variable capital increases absolutely, whilst the labouring population increases more rapidly than[6] does the variable capital.

The round[7] of the industrial cycle depends upon the serially continued formation, partial absorption, and re-formation, of the industrial reserve-army.

But the industrial reserve-army, or surplus population,

[1] The sentence on the sixteenth and seventeenth lines of p. 637 (nineteenth and twentieth lines of p. 683 in Kerr's) ought to read as follows: "Their mass of value therefore rises absolutely, but not in proportion to their own material mass."

[2] In Kerr's edition, on the eighteenth line of p. 687, the wrong word "competition" appears instead of the correct word "centralization."

[3] In Kerr's edition, on the fifth line of p. 689, the word "variables" appears instead of the correct word "variable."

[4] In Kerr's edition, on the fifteenth line of p. 690, instead of "It it was," read "If it was . . ."

[5] On the eighth line of p. 643, S.S. ed., instead of the term "&" read "&c."

[6] On the thirty-fourth line of p. 643 (tenth line of p. 691 in Kerr's), instead of "more rapidly than that of," read "more rapidly than the increase of . . ."

[7] On the eighth line from the bottom of p. 646 (eleventh line down p. 694 of Kerr's), instead of "The course characteristic," read "The course which is characteristic . . ."

is the inevitable accompaniment of capitalist accumulation.[1]

When, in a mid-nineteenth-century decade, the wages of English agricultural labourers rose by 1s or 2s., so as to be then about 9s. weekly, there was a great howl and an outcry against it. But the farmers did not wait for things to "right themselves," according to silly dogmas about supply and demand; the farmers did not wait for multitudes of labourers to get born, to grow up, and, by fierce competition, to reduce the dazzling pay. The farmers merely introduced[2] machinery, and immediately the poor labourers were converted into an over-sufficient crowd—into a mass of more labourers than were required.

"Various Divisions of the Industrial Reserve-Army"

As capitalism seizes upon agriculture the labourers are thrown out of work. There is no compensating attraction for these labourers, as happens for town workers;[3] consequently there is a constant tendency of agricultural labourers to pass over into the town proletariat.

The poorest strata of the working class are the most prolific, which calls to mind "the boundless reproduction of animals, individually weak and constantly hunted down."[4]

As their social outlook, as their future status, as their destined position in the world, orphans and pauper children have before them the ranks of the industrial reserve-army. But in busy times[5] these unfortunates are rapidly enrolled as active labourers.

[1] On the bottom line of p. 648 (second line from the bottom of p. 696 of Kerr's) strike out the letters "l.c., . . ."

[2] On the third line of p. 653 (twenty-first line of p. 700 in Kerr's), instead of "They introduced," read "No; on the contrary, they introduced. . . ."

[3] On the twenty-fourth line of p. 657 (eighth line of p. 705 in Kerr's) put a bracket before the word "and" and a closing bracket after the word "so." On the twenty-sixth line (tenth line of Kerr's) alter the word "while" to the word "and." On the twenty-seventh line (eleventh line in Kerr's) put a bracket before the word "as," and on the following line put a closing bracket after the word "industries."

[4] On the fifth line from the bottom of p. 658 (sixth line from the bottom of p. 706 in Kerr's) alter the word "af" to "fa."

[5] On the tenth line of p. 659 (twenty-ninth line of p. 706 in Kerr's) enclose in brackets the passage "as 1860, e.g." On the twelfth line, instead of "unable work," read "unable to work . . ."

In the production and accumulation of capital it is important that the working class be kept hungry and needy. According to parson Townsend, this important feature[1] is made secure by the tendency of poor people to breed fast.

"The General Law of Capitalist Accumulation Illustrated"

In the period of 1853 to 1864, the increase of profits coming under the income-tax in Great Britain was about four times as rapid as the increase of population,[2] and the taxable rent increased nearly three times as rapidly as did the numbers of people.[3]

Among the shoemakers and needlewomen in London, in 1863, the average weight of bread consumed per adult was nearly 10 lb. weekly.[4]

Along with industrial development and capitalist accumulation there comes the slum area, with its dangers to the health even of the capitalist class itself.[5]

The spasmodic exit of working masses from, and re-entry into, the towns,[6] in response to spasms of capitalist demand for them, result in labourers using (as habitations) dens, the vilest, the most wretched and frightful, imaginable!

Dr. Bell attributed the frightful mortality amongst poor people, which occurs when disease breaks out, to wretched

[1] On the twenty-fifth line of p. 662 (ninth line of p. 710 in Kerr's) strike out the words "for this," and put them on the next line (eleventh line in Kerr's) after the word "provides," so as to read "provides for this."

[2] On the seventh line of p. 665 (tenth line from bottom of p. 712 in Kerr's) there appears the wrong expression "12 %" instead of the correct expression "1·2 %."

[3] On the tenth line of p. 665 (seventh line from bottom of p. 712 in Kerr's) there is the wrong expression "$3\frac{5}{12}$ %" instead of the correct expression "$3\frac{5}{11}$ %."

[4] In Kerr's edition, at the end of the eighth line below the table on p. 720, appears the wrong term "99" instead of the correct term "9·9."

[5] On the first line of p. 675 (fourteenth line from bottom of p. 722 of Kerr's ed.) put a bracket after the word "diseases" and put a closing bracket on the next line after the word "respectability." On the third line (end of twelfth line from bottom in Kerr's) put a semicolon instead of the comma after the word "sanitation" and strike out the second following word "that."

[6] On the nineteenth line of p. 679 (eleventh line of p. 727 in Kerr's) put a colon and dash after the word "Yorkshire." On the twenty-seventh line a little "1" appears after the word "list" instead of the correct little "3," referring to the third footnote. At the bottom of the page put the word "over," as the footnote is continued at foot of next page.

hovels and dens which the poor people are compelled to inhabit. In parts of Bradford (Yorks.) there was an average of 3⅓ people per bed, 6½ people[1] to a house, and 40 people to one privy; in another part of the town there was one room for 18 persons.

The miners of England were amongst the best paid of British proletarians,[2] but the revelations of the 1840 Commission were so revolting as to scandalize all Europe and lead to the Mining Act of 1842. The ground rents which miners pay for cottages are high, as is usual[3] where populations are crowded. The cottages are the cheapest possible. Miners and their families are packed away in the smallest possible spaces, and the cottages are "the worst and dearest" in England. The mean robbery of all decent conditions[4] is practised upon miners by capital just as it is practised upon factory operatives.

As the labour conditions of Belgium were belauded by capitalists in England, Marx digresses a little to notice them. Amongst other grave matters he mentions that in Belgium, the "paradise of the labourer," there were 200,000 families[5] out of 450,000 on the pauper list.

In England agricultural labourers were systematically paid less than the minimum existence wage, and the difference between actual starvation pay and unavoidable expense of bare existence was made up in "charity." At the end of the eighteenth century and beginning of the nineteenth century the deficit below the minimum existence wage for English agricultural labourers was made up in the form of parish relief. On an average, in this way, in 1795, there was

[1] In Kerr's edition, on the ninth line of p. 728, appears the wrong number "1·450," instead of the correct "1450."

[2] The passage on the second and third lines of p. 683 (twenty-seventh and twenty-eighth lines of p. 730 in Kerr's), viz. "The price at which they buy their wages," is only figurative language, and is quite unsuitable for scientific exposition; a proper wording would be "The labouring conditions by means of which they acquire their wages . . ." On the third line from the bottom (third line up p. 730 in Kerr's), instead of the word "at," read the word "near."

[3] On the thirteenth line of p. 683 (ninth line of p. 731 in Kerr's), instead of the phrase "they are generally," read "they generally are. . . ."

[4] On the eighth line of p. 685 (fifth line from bottom of p. 732 in Kerr's), instead of "that prohibitory," read "that the prohibitory . . ."

[5] On the twenty-ninth line of p. 691 (twenty-fifth line of p. 739 in Kerr's) appears the wrong number "190,000" instead of the correct number "390,000."

doled out to them the amount of 2s. 7d. per week per family; on an average, in 1814, the dole[1] amounted to 7s. 3d. per week per family.

One aspect of the treatment meted out to agricultural labourers in England, in 1845, is illustrated by the proportion of their wretched wages filched from them under the euphonious name of "house rent," even by such men as the Earl of Shaftesbury. This horrible phase is set out by Marx (quoting from the *Morning Chronicle*) in three tables,[2] referring respectively to the cases of three different villages.

The agricultural labourers were not so well nourished as convicts, and yet they had to do double as much work. Marx compiles a table,[3] dealing with the weekly nutriment of six different sorts of proletarian, which table demonstrates the agricultural labourer to be the worst fed.

[1] On the sixth line from the bottom of p. 693 (p. 741 of Kerr's) appears "£18 6 4," which is wrong; it should be "£18 16 4."

[2] On p. 695 (p. 743 in Kerr's) there are some errors of detail in each of the two eight-column tables. The first table, for the "first village," deals with six cottages. In the eighth column for the fifth cottage the amount is wrongly put at "1 0¼" instead of "1 0¾." In the eighth column for the sixth cottage appears the wrong amount "1 1½" instead of "1 1⅝." In the Kerr edition the fourth column in nonsensical; instead of such wrong terms as the "1, 16, 2" of this column there should read "1s., 1s. 6d., 2s." The second table, for the "second village," deals with five cottages; in the eighth column for the third cottage appears the wrong amount of "7d." instead of "6¾d." There is a third table, for the "third village," on the following page (S.S., p. 696; Kerr's, p. 744), which deals with three cottages. The amounts in the fourth column of this third table should be raised one line higher; the "1s" and "2s." put down for the second cottage should be read for the first cottage; and the "1s." and "2s. 6d." put down for the third cottage should be read for the second cottage. It will be seen that this fourth column gives the children's wages, but the third cottage is without children. Kerr's edition is also faulty regarding the terms of this fourth column; the meaningless "1, 2, 26" ought to read "1s., 2s., 2s. 6d." There are other apparent discrepancies in all the three tables, which probably indicate short working time. For example, in the "first village" the particulars for the sixth cottage are that the man's wage is 7s. and the wages for two children are 3s., which gives an apparent total of 10s. as the family's weekly income; but in the fifth column this family's weekly income is tabulated at 7s., which must, I think, indicate broken work time.

[3] On p. 699 (p. 747 of Kerr's) there is a five-column table dealing with the nutriment of six different kinds of proletarians. For the "Portland convict" the Kerr edition, in the fifth column, has the wrong quantity "103·69" instead of "183·69." For the "soldier," both S.S. and Kerr editions, in the fifth column, have the wrong quantity, "14·98" instead of "143·98." Alongside the quantity at the bottom of the fifth column the S.S. ed. has a little "1," referring to the first footnote, which is wrong; it should be a little "2," for the second footnote, and it should be outside the table (not inside), as the reference is in respect to the whole table. In the Kerr edition, too, the correct little "3" should stand outside the table.

In the period, 1851 to 1861, the rural population grew by 5⅓ per cent., but the housing accommodation for them was diminished by 4½ per cent. In order that great owners may escape the liability of paying "poor rates," the labourers' houses in villages were demolished, and the labourers were driven [1] into other villages under the manipulations of building sharks, which other villages, moreover, were often six or eight miles away from their daily toil. "In the open village, cottage-speculators buy [2] scraps of land, which they throng as densely as they can with the cheapest of all possible hovels." Any sty,[3] according to some landlords, is good enough for the labourer and his family.

Marx gives special details of twelve different counties [4] in England regarding the shocking housing [5] conditions for agricultural labourers.

There are always too many agricultural labourers for the ordinary everyday work, and there are always too few of them for the temporary and special season work. As a consequence,[6] the supplementary labour of women and youngsters is enlisted, with the resulting progressive exploitation of younger and younger children.

To finish up his illustrations of the "General Law of Capitalist Accumulation" Marx gives some very telling details of Ireland. Amongst other particulars, he gives a series of tables: of live stock;[7] of land under cultivation from 1861

[1] On the third line of p. 704 the word "receive" should read "receives."

[2] In Kerr's edition, on p. 752, the fourteenth line has the wrong word "bus" instead of the word "buy."

[3] In Kerr's edition, on p. 753, the second line has the wrong word "style" instead of the correct word "sty."

[4] In *The Student's Marx*, on the fifth line of p. 154, appears the wrong word "countries" instead of the correct word "counties."

[5] In Kerr's edition, on p. 760, the sixth line has the wrong passage, "9 ft. by 58 ft." instead of the correct "9 ft. 5, by 8 ft."

[6] On the fourteenth line of p. 714 (sixteenth line of p. 762 in Kerr's), instead of "in wages, but a forcing," read "in wages, but brings about a forcing . . ."

[7] In the six-column table on p. 719 (p. 767 in Kerr's) there are three errors: viz. two errors for the year 1861 (in the third column the wrong quantity "5993" instead of the correct "5579"; and in the fifth column the wrong quantity "138,316" instead of "134,686"), and one error for the year 1863 (in the fifth column the wrong quantity "110,695" instead of "110,659"). In the seven-column table on p. 720 (p. 768 in Kerr's) there is an error in the third column for the year 1863, viz. the wrong quantity "147,982" instead of "147,928." In the four-column table on this page all the quantities are wrong; they should be, respectively, horses "71,944," cattle, "112,960," sheep, "146,662," and pigs "28,821."

to 1865;[1] of land cultivated in 1865 compared with that of the year 1864;[2] of the tax upon incomes of 1860 to 1865;[3] and of the incomes from profits for 1864 and 1865.

Speaking of the incomes from profits, Marx afterwards refers to the three persons who in 1864 realized £262,210, but who in the next year, 1865, pocketed £264,528;[4] to the 26 persons who in 1864 averaged £24,860 each and the 28 persons who in the next year averaged £26,301 each; to the 121 people who in 1864 averaged £8,817 each and the 186 who in the following year averaged £7,102 each; and to the 1,131 persons who in 1864 averaged £1,901 each, together with the 1,194 persons who in the following year averaged £2,025 each.

Marx shows that the small cultivator[5] had to disappear from Ireland. And he shows that the fewer peasants or labourers remaining in Ireland, the more superfluous and miserably oppressed they became!

[1] In the ten-column table of p. 721 (p. 769 in Kerr's) there are four errors. In the third column, for the "year" period "1861–65" there is the wrong acreage "107,984" instead of "108,193." In the ninth column, for the year 1861, there is the wrong total "81,873" instead of the correct "81,373"; for the year 1865 the wrong total "28,218" instead of the correct "28,398"; and for the period 1861–65 the wrong total "330,860" instead of the correct "330,550."

[2] In the third column of the table on p. 722 (p. 770 of Kerr's) there is the wrong acreage, "14,839" for the "mangold-wurzel" instead of the correct "14,389."

[3] At the end of "Table D," on p. 723 (p. 771 of Kerr's), the little "1" should be outside the table, not inside; it refers to the footnote regarding the whole table.

[4] On the second line of p. 733 (fifth line of p. 781 in Kerr's) there appears the wrong amount of "£274,448" instead of the correct "£264,528."

[5] In the last column of the table on p. 734 (second table of p. 782 in Kerr's) there is the wrong total of "26,319,924" instead of the correct total "20,319,924." On the twelfth line below the table (ninth line below in Kerr's) there is the wrong number "788,761" instead of the correct number "788,358."

PART VIII

"THE SO-CALLED PRIMITIVE ACCUMULATION"

JUST as Marx's Chapter XI is an addendum to his Part III, and just as in a sense his Part V is an addendum to his Parts III and IV, so here Marx's Part VIII, with its eight chapters, may be considered as an addendum or companion to his Part VII.

The "accumulation of capital" in developed capitalism constitutes an awful register of working-class exploitation. But the "so-called primitive accumulation" is here discovered to have been the result of the most unblushing and shocking expropriation of the working class—which frightful expropriation, which thieving impoverishment of the working class, was a pre-requisite to capitalism. Making labourers poor was a necessary preliminary to capitalist exploitation of the poor working class.

The so-called "primitive accumulation" of capital in early days is absurdly supposed to have been a natural result of the capitalist class's persevering industry and saving habits; whilst the working class's poverty-stricken condition is fatuously supposed to have resulted from this class's having been lazy and improvident rascals. But Marx makes it clear that such idyllic nonsense is vastly different to the historic truth. Marx's Part VIII constitutes a series of crushing replies to capitalism's vulgar apologists upon these two points.

The real case of "primitive accumulation" was the forcible separation of means of production from the possession of actual producers. The real "primitive accumulation" of capital was the accumulation of spoil and plunder that had been brutally forced out of the possession of working masses. At the same time, and by means of this very same forcible

and brutal robbery of working masses, there was also produced a wage-dependent working class, which, capitalistically, was perhaps even more necessary and important.

The basis of the expropriation process was expulsion of agricultural labourers from the land. The hunting of labourers from the land was, at the same time, theft of the common lands. The agricultural land, upon which labourers had supported themselves, was flagrantly stolen from under them and turned unto pasture-land for sheep. The human beings were hunted off their homesteads and turned into outcasts, to make way for the sheep.

The human beings were converted into proletarians—i.e. they were forcibly dispossessed of their means of working—and so they also become available as wage-labourers for the growing town industries.

But the wholesale ruthless expropriation of labourers was too rapid for the absorbing capacity of town industries, consequently the unemployed outcasts or " vagabonds " abounded everywhere. Then came legislation against the callously produced outcasts ! The poverty and helplessness of proletarians were none of their own making, but atrocious and bloody legislation was nevertheless passed against them. These unfortunates, who had previously been systematically and wickedly proletarianized and rendered destitute, were then for centuries hunted, prosecuted, enslaved, mutilated, tormented, executed—without remorse, pitilessly !

There had slowly evolved and come into existence the capitalist farmer. The capitalist farmer had gradually developed out of the feudal bailiff—that serf who resembled the old-time Roman villicus. First, this feudal bailiff was superseded by a working farmer whom the landlord provided with means of production ; then this farmer was superseded by a métayer, part-owner and part-farmer, who, through partly owning the stock, accordingly divided the total product with the landlord ; finally, this métayer, or half-owner farmer, was replaced by the capitalist farmer, whose capital " bred " by consuming labour-power of wage-labourers and who paid rent to the landlord.

The capitalist farmer was enriched by thefts of the common lands, and in the sixteenth century he was further enriched

by the fall in value of precious metals and money—which fall gave to the capitalist farmer higher prices for his products, as against fixed money rents to be paid by him and also as against reduced money-value of real wages for his labourers.

The agricultural changes reacted upon the town industries. Not only did these agricultural changes provide wage-labouring proletarians for town industries, but they also created a home market for those industries.

Besides barriers in the country imposed by feudalism against incipient capitalism, there were other barriers in the old towns also, in the form of guild corporations, against industrial capitalists. Therefore the rise of industrial capitalists in England took place in seaports and at other points outside the old towns.

With the development of capitalism, the public opinion of Europe lost all shame and conscience. The city of Liverpool's mode of " primitive accumulation " was the slave trade—trading in blackskins of Africa. " Liverpool waxed fat on the slave trade."

The " Historical Tendency of Capitalist Accumulation " is a series of different forms of property and expropriation. That private property, which was based upon an owner's own labour, is superseded by capitalist private property based upon the labour of non-owners. This latter, this capitalistic property, gives way to a higher form of property, based upon achievements of capitalism (chiefly the productive co-operation) and common ownership of means of production. The expropriators themselves become expropriated.

In the last of these eight chapters, entitled " The Modern Theory of Colonization," Marx shows that the authors of this modern theory loudly proclaim, for colonies, that very condition which they deny at home ; viz. that the expropriation of working masses is indispensably necessary alike to primitive accumulation of capital and to the continual functioning of capital.

Each of these eight short but solidly packed chapters should be read carefully and studied. In this place, under the different chapter headings, we shall notice only a few details sporadically, for emendation or for otherwise being noted specially.

"Expropriation of the Agricultural Population from the Land"

In this chapter, amongst much else, we find :—

It was of no avail that the people and legislature protested against the expropriation [1] of peasants and small farmers; no use protesting against these being divorced from the land.

Incoming capitalism required that masses should be proletarianized and made available as wage-labourers, and that their means of production should be transformed [2] into capital for others.

In the nineteenth century the identity between national wealth and poverty of the masses was clearly recognized. It was pointed out, by indignant writers, that farms were enlarged and reduced in number, that men were converted into persons who had to work for others, and who had to go to market for all they required, and that the "engrossing of farms" had been operating for many years.[3]

Commenting on the infamous and shocking evictions of Scotch clans from their lands, Professor Newman [4] (quoted by Marx) declared that a king of England would have as much right to drive the English into the sea.

"Bloody Legislation against the Expropriated"

Under this heading, amongst many other things, Marx tells us :—

Human beings were brutally converted into outcasts, and then mercilessly hunted as outcasts and vagabonds.[5]

Although, in the stage of its development at the end of the eighteenth century, established capitalism had rendered

[1] In Kerr's edition, on the eighteenth line of p. 791, appears the wrong word "appropriation" instead of the correct word "expropriation."

[2] On the third line of p. 744 (p. 792 in Kerr's ed.), instead of the words "and of," read "and the transformation of. . . ."

[3] On the eighteenth line of p. 750 (twentieth line of p. 798 in Kerr's) close the quotation with quotation commas after the word "kingdom."

[4] At the end of the sixth line on p. 753 put a little "1," referring to the first footnote.

[5] At the end of the sixteenth line of p. 760 put a little "1," referring to the first footnote. In Kerr's edition, on p. 808, strike out the top line of the footnote, and in its place read : "Thomas More says in his *Utopia* 'Therefore that on covetous and unsatiable . . .'"

legal regulation of wages impracticable, the ruling classes, being anxious to lose none of their despotic power over the labouring class, continued still to enact laws for such unnecessary and impracticable (low) wages-regulation.[1]

"Genesis of the Capitalist Farmer"

In this chapter, *inter alia*, we learn :—

The métayer, the half-owner, half-farmer, quickly disappears in England, and is supplanted by the capitalist farmer.[2]

The reduction in value of money in the sixteenth century, owing to discoveries of mines in America, gave to the capitalist farmer a golden harvest, for, amongst other advantages, it led to reduced value of labour-power.[3]

"Reaction of Agricultural Changes upon Town Industry"

The agricultural labourer being set "free" meant also that his means of subsistence were set free and that they became natural forms of the employer's capital. And then the expropriated peasant had first to obtain[4] the value of his means of subsistence, as money wages from the new master, before he could buy his means of subsistence.

Not only did expropriation of part of the rural population set "free" the required labourers,[5] together with their means of subsistence and means of production, but it also produced a home-market.

"Genesis of the Industrial Capitalist"

Under this heading, *inter alia*, we learn :—

"Taxation" has a "destructive influence . . . on the

[1] In Kerr's edition, on the ninth line of p. 812, instead of the wrong expression "an art," read "an Act . . ."

[2] On the twentieth line of p. 767 (tenth of p. 815 in Kerr's), instead of the incorrect phrase "the farmer proper," read "the capitalist farmer . . ."

[3] On the fifth line of p. 768 (ninth line from the bottom of p. 815 in Kerr's), after the word "wages" add "i.e. real wages." At the end of the fourteenth line alter the little "1" to "2."

[4] On the seventh line of p. 770 (sixth of p. 817 in Kerr's), instead of the metaphorical word "buy," read the word "acquire."

[5] On the top line of p. 772 (twenty-seventh line of p. 819 in Kerr's) the words "for industrial capital" may be enclosed in brackets.

condition of the wage-labourers. . . ."[1] And its "expropriating efficiency is still further heightened by the system of protection . . ."

With the coming of the factories in English northern counties, many thousands of hapless and helpless little children, seven to fourteen years of age, were suddenly sent from parish workhouses to be exploited by overseers of these factories, the pay[2] of which overseers was more or less according to how much they could wring out of these unfortunate mites.

Capital dodges any profitless enterprise,[3] but it is more and more strongly attracted by higher and higher rates of profit.

[1] The S.L.P. pamphlet on "Taxation," by John D. Goerke, is a very unfortunate and mischievous publication. There is no greater error than the widespread notion about the working class having "absolutely no wealth of any kind," and there is no more mischievous notion than that therefore the working class "does not pay any taxes"! (See Goerke's *Taxation*, p. 8). Such two wrong declarations constitute the doubly erroneous message of Goerke's pamphlet as a whole. Strange to say, these trashy errors are very common amongst the Socialists. Even such a working-class paper as the New York *People* cheerily falls into the same serious errors. For instance, in the issue of that paper for February 3, 1917, on p. 1, we read that "The workers are not robbed when they go to the market to buy groceries . . ."!; on p. 6 that "The question of taxation is a question that does not concern the working class, as they are not taxpayers" etc.! If the working class have "absolutely no wealth of any kind," how could they "go to the market to buy groceries"? If they "are not robbed when they go to the market to buy groceries," or if they have "absolutely" nothing to be robbed of, how could Goerke himself say, on his p. 23, that the working class might be "cheated" wholesale? If taxes be no concern of the labourers, and if taxes do not make their necessaries too dear, how could Marx tell us that taxes have a destructive influence upon the condition of the labourers? But since, according to the above *People*, the working class really have wealth with which to "go" and "buy groceries," why can't they be "robbed" or "cheated" of some of it, per medium of those taxes which make the groceries too dear? And if, after all, the working class could not be thus "robbed" nor "cheated," why should Marx quote Postlethwayt (*Capital*, p. 260; Kerr ed., p. 301) upon this means of increasing the working time of the labourers? And if the workers could never be robbed by, nor feel the weight of, taxes, why, in this Part VIII upon "Primitive Accumulation" or working-class expropriation—why should Marx here mention the subject of taxation? However, the working class keep on existing, and the working class are not allowed to steal their living, so, somehow, they must manage to get some wealth of their own, because they have to consume wealth in order to live. As a matter of fact, imposition of taxes upon working-class necessaries is one capitalist means (a very mean but very effective means) of expropriating the working class, of increasing the working-class's toil, and of reducing the working-class's standard of existence.

[2] On the eighth line from the bottom of p. 783 (twenty-sixth line down p. 831 of Kerr's), instead of the words "their pay," read "the overseers' pay . . ."

[3] On the eighth line from the bottom of p. 786 (p. 834 in Kerr's), instead of "Capital eschews no profit," read "Capital eschews non-profit . . ."

"Historical Tendency of Capitalist Accumulation"

In this very short but very fine chapter we find that the historical trend of modern times is not to restore private ownership of means of production to the producer, but the trend is towards yielding wealth to him (the producer) for his individual consumption upon the basis of industrial co-operation and common ownership of the means of production.[1]

"The Modern Theory of Colonization"[2]

In the colonies, where the parent country is behind the colonial capitalist, this capitalist endeavours to abolish production and ownership of property, based upon the owner's own independent[3] industry.

The labourers naturally object[4] to the capitalists getting too much unpaid labour out of them.

With the money extorted from labourer's wages, as tribute for being allowed on the land, the new colonial policy for Governments is to break the vaunted "law of supply and demand"[5] by bringing out more proletarian labourers from home to keep the local labour markets full for colonial capitalists.

[1] On the twenty-second line of p. 789 (nineteenth line of p. 837 in Kerr's), instead of the words "of the means," read "of the other means."

[2] After the word "colonisation" in the title of Chapter XXXIII, on p. 790, put a little "1," referring to the footnote.

[3] On the twenty-fifth line of Chapter XXXIII (twenty-sixth line in Kerr's), instead of the word "his," read the word "the."

[4] On the second line of p. 796 (fourth line of p. 844 in Kerr's), instead of the word "declines," read "decline."

[5] On the fourteenth and fifteenth lines of p. 798 (p. 846 in Kerr's) enclose in brackets the passage "by violation of the sacred law of supply and demand," and on the tenth line from the bottom of the page put quotation commas after the words "sufficient price."

CONCLUSION

LET us now briefly sum up. Let us briefly scan the more salient features of Marx's great Vol. I of *Capital.*

This Vol. I sets forth the constitution and character of capitalist production. Capitalist production, the industrial part of capitalism, is shown to be the most stupendous industrial system that the world has yet seen. At the same time, capitalist production is shown to be essentially the exploitation of wage-labourers. It is shown to be an exploitation of workers, the most stupendous, the most cynical, and the most callous, that has ever " blessed " and cursed the human race. Whilst we are shown that capitalist production accounts for the fabulous and dazzling wealth acquired by wealthy non-producers of to-day; as the peculiar natural counterpart we are also shown that it accounts for the most grinding exploitation, the most abject and grinding poverty of toiling masses too, that the world has ever witnessed. It is this capitalism alone that can account for that awful feature of which Huxley complained. Capitalism accounts for the horrible feature of modern times, viz. that, in the midst of plenty, in the midst of millionaires, in the midst of multimillionaires, there is the utter destitution, there is " the physical and moral degradation," which inspired the utopian but eloquent protest from Professor Huxley quoted in our Introduction.

Notwithstanding the apparent exchange of equivalents between the capitalist class and the working class, we are shown that, without anything in return, wealth proceeds from wealth-producing labourers into the hands of non-producing capitalists. Under the seeming exchange of equivalents there lurks the capitalistic accumulation and the capitalistic oppression.

One of the conditions which made modern capitalist

accumulation possible was the historic inquitous primitive accumulation. But the most important condition of capitalist accumulation is the modern terrible consumption of labour-power by means of machinery—which consumption of labour-power is effected under cover of wage-payments that were historically developed out of the payments for common commodities. A very important condition of capitalist accumulation was, and is, the production of Relative Surplus-value—which Relative Surplus-value was developed from the previously established Absolute Surplus-labour. Absolute Surplus-labour was an institution (serf-labour) taken over from feudalism into capitalism. But, strange as it may seem, this absolute surplus-labour had to become labour of the " free " labourers in order to connect up with capital. In its turn, capital was developed out of money, as money was previously developed out of commodities. So, then, we can see that a very early condition of capitalistic accumulation was the existence of primitive commodities ; and we can see that, therefore, our very first lessons are those upon the subject of commodities.

Marx shows that the capitalist class, who pretend to give " value for value," give to the working class absolutely nothing in exchange for that wealth for which they exploit the working class. Not only so, but in Part VIII he also shows that neither did the capitalist class give anything to the masses in return for wealth which formed their " so-called primitive accumulation," for he shows that wealth to have been filched, stolen, plundered, and swindled away from the thereby proletarianized masses.

In Marx's Part I it is shown unmistakably that the commodity system is the exchange of presumed equivalents. In Part II it is shown how the capitalist system sneaks in under cover of the commodity system ; it is shown how the capitalist system hides its character under cover of the fair-looking commodity system. In Marx's subsequent parts, however, it is shown that the exchange operating between the capitalist class and the working class is nothing but a hideous and an outrageous caricature of anything savouring of equity or common fairness.

It was no better with the " primitive accumulation."

It is true that the marvellous capitalist accumulation of our time could not possibly have taken place had there not have taken place, previously, the " so-called primitive accumulation "—which primitive accumulation, however, Marx shows to have been accumulated spoil from the expropriation and robbery of toiling masses, together with the masses, thereby impoverished and exploitable, driven off the land and largely accumulated in the towns. Wholesale plunder of the masses' means of production, together with " concentration " or accumulation of these means of production into the hands of comparatively few people, constitute the most important part of the real " primitive accumulation "—the real foundation of the capitalist class, of this class's capital, and of the present horrible economic system.

But just as capitalist production could never have started without the " primitive accumulation," so, also, the capitalist accumulation of to-day could never take place without the results of " modern industry " or without the modern results of stupendous exploitation of wage-toilers by means of machinery.

This terrible working or exploiting of wage-labourers, this heartless draining of labour-power by machinery, could never have been a fact but for the previous institution of " wages " or the wages-form of labourers' means of subsistence. Therefore Part VII, upon " Capitalist Accumulation," is preceded by Marx's Part VI upon " Wages."

But " wages," too, would have been impossible had there not been previously developed that process which Marx names the " Metamorphosis of Commodities." " Wages " are the metamorphosed labour-power commodity, or the transmuted value of labour-power, in imitation of a metamorphosed common-commodity, which is the realized price after the commodity's having been " turned into money." Therefore " wages " are an imitation or extension of the previously developed price-form of common commodities. And therefore Part VI, upon " Wages," had to follow Marx's analysis of the " Metamorphosis of Commodities " included in his Chapter III.

But neither could modern " Capitalist Accumulation "

have been a fact but for the production of Relative Surplus-Value. Therefore Part VII, on " Capitalist Accumulation," is preceded also by Marx's Part IV upon " The Production of Relative Surplus-Value."

But the production of Relative Surplus-Value implies the previously established Absolute Surplus-labour. The production of Relative Surplus-Value, this peculiar capitalistic augmentation of surplus-labour, implies the previous establishment of surplus-labour—the absolute surplus-labour which, when embodied in capitalist commodities, constitutes the " absolute surplus-value." Moreover, it is only by first understanding " absolute surplus-value " that we may afterwards understand " relative surplus-value "—which relative surplus-value is a kind of extended or additional surplus-value. Therefore Part IV upon " Production of Relative Surplus-Value " is preceded by Marx's Part III upon " Production of Absolute Surplus-Value."

The production of " absolute surplus-value " is achieved by absolutely extending the wage-labourer's working time beyond that point when he has produced the value of his living. This extension of the labourer's work time, past the end of his " necessary labour-time," was an established practice taken over by capitalism from the preceding system of feudalism. But the extended labour under feudalism, unrequited serf-labour, had to become the " free " labour (so-called) of capitalism. The bundle of labour-power that had been called " a serf " (as we might speak of the bundle of draught-power called " a horse ") had now to be incorporated with capital, despite its having become the so-called " free," in order to produce " absolute surplus-value." But the labour-power could not have been incorporated with capital if the social reality called " capital," in some guise, had not been already to hand. In other words, capitalist exploitation could not have started without capital. And so the somewhat developed concept and social reality, " capital," had also to be taken over by capitalism from primitive traders.

Therefore Part III, upon the " Production of Absolute Surplus-Value," is preceded by Marx's Part II upon the " Transformation of Money into Capital."

Primarily, this conversion of money into capital constituted an inversion of money's course in the complex process of serial exchanges. Instead of money continuing to function as the circulating medium, instead of being spent and thereby disappearing, the money started to function as the thing circulated, as a value advanced with a view to its return.

But there never could have been any " capital " without money. Without previous development of the social reality called " money," capital would have been impossible. Therefore this Part II of Marx's is preceded by his part upon " Commodities and Money "—in which latter part, Part I, Marx traces the development of " money " out of the value-expression of commodities—in which Part I we also learn that without commodities there never could have been any value-expression nor any value.

It is important to specially notice that the keynote of Marx's book is NOT expropriation or robbery of the masses. So far as these dispossessing forms of oppression figure in Marx's work, they are only auxiliaries or subordinate features. The keynote of Marx's work is exploitation of wage-workers. The title of the book is *Capitalist Production*, which means the production of surplus-value—which surplus-value is produced by wage-labourers, but never possessed by them—of which surplus-value, therefore, the wage-labourers never could be expropriated. There is nothing more grotesque nor more untruthful than the jabbering trash about workers being " robbed " of surplus-value " at the point of production " ! It is true that the working class were proletarianized by expropriating them, by dispossessing them of the means of producing their living, but this was not the capitalist process proper ; it was only a condition, a most important preparation-process, a necessary preparatory stage, for the subsequent establishment of the really capitalistic process. Therefore the keynote of the whole book is not expropriation, not " robbery," nor dispossession ; it is the deliberate capitalistic exploitation of the working-class's labouring strength.

The Marxian verb " to exploit " does not mean to expropriate ; it does not mean to rob, nor to dispossess,

nor to impoverish. " To exploit " means to work something. If you " exploit " the working class, this means that you work that class to produce or to increase your wealth ! It is, therefore, ridiculous and wrong to say, as many do, " exploit the workers OF wealth." It is true only that people are *expropriated* of wealth, or that the capitalist *robs* them of wealth. Not " of," but FOR wealth, the capitalist exploits the workers ; FOR wealth the capitalist works them. To expropriate the workers is to take something out of their possession ; to exploit them is merely to work them for something, just as the owner would work a horse or a chattel-slave.

Before closing, and for the special attention of Socialists and self-styled " scientists," including the *soi-disant* " scientific " Socialist Labour Party, it is also important to specially notice some things which Marx did NOT teach, despite very popular notions to the contrary.

Marx never says that " labour produces all wealth," not even when " aided by Nature " ; on the contrary, he says it does not. Marx never by any chance declares that value exchanges for equal value in commerce, not even " in the long run " ; on the contrary, he declares that even " average prices do not directly coincide with values." Marx does not say that " value means exchange-value " ; Marx does not say " an understanding of value has its beginning in an understanding of labour-power " ; Marx does not say that " social labour " means " socially necessary labour " ; Marx does not say that exchange-value means value expressed " in relation " to other commodities ; Marx does not say the value of one thing is expressed by the value of another thing ; Marx does not say that money has " labour-power embodied in it " ; Marx does not say " a means of exchange " means money ; Marx does not say capital is the " means of production," not even in De Leon's roundabout way (see *People*, April 29, 1922) ; Marx does not say " concentration of capital " when referring to " centralization " ; Marx does not say " managers . . . and other office workers " are " producers of wealth " ; Marx does not say " the middle class, which includes self-employers " ; Marx does not say labourers are " exploited

OF the wealth they produce " ; Marx does not say capitalists are " enabled to live " merely " by virtue of ownership " ; Marx does not say that labourers are " in control " of capitalist industry ; Marx does not say the " surplus product must be disposed of in outside markets " ; Marx does not speak of anybody's " wages for their labour " ; Marx does not say surplus-value is " unpaid-wages " ; Marx does not speak of " relative wage " ; Marx does not say " labour collectively is robbed " of surplus-value, neither " collectively " nor individually ; Marx does not say workers are " robbed at the point of production " ; Marx does not say: " It (surplus-value) belongs to labour." On the contrary, Marx tells us the opposite of all this very shallow and very stupid S.L.P. trash !

Marx never declares that wages are regulated by the laws of " supply and demand " ; on the contrary, Marx tells us that, instead of regulations, the fluctuations of supply and demand are only disturbances. Marx never by any chance declared that " the working class do not pay any taxes " ; on the contrary, as to the expropriating efficiency of taxes upon the necessary means of subsistence, Marx tells us " there are not two opinions even amongst the *bourgeois* economists."

As a finale, and as a rest after such tiresome " Socialist " rubbish, let us now see Marx's majestic progressive order—let us now see the whole consecutive fabric, and the wonderful but very simple grandeur, of Marx's Vol. I :—

Part I shows how, in the course of time, industrial products came to be commodities ; how, in the course of further time, the value of these commodities came to be expressed as money ; and how, subsequently, the manifold functions of money were developed.

Part II shows how commodity value, which had become developed into money, still further developed into the fetish monster called " capital," which monster increases itself, so as to yield surplus-value, by consuming or gobbling up labour-power of the labouring class.

Part III then shows the conditions and the process of this capitalist consumption of labour-power—this exploita-

tion of the working class, or Production of Absolute Surplus-Value. It shows the ruthless and reckless extension of this capitalist consumption of labour-power, even past the limits of working class living endurance; and it shows the necessary limitations and restrictions consequently imposed by the Factory Acts.

Then Part IV shows how and by what means the labour-power devouring monster, "capital," still progressively swells itself more and more rapidly at the expense of the exploited working class, even despite the curbing and hemming-in of the Factory Acts' restrictions.

Then Part V sums up the entire process of surplus-value production; shows how, why, and where the surplus-value production came to be developed out of the ever-necessary (humanly necessary) use-value production; shows the mathematical laws of surplus-value's changing mass and labour-power-value's changing mass; and shows the various formulæ which mathematically express and exhibit the surplus-value's ratio.

Part VI then shows the envelope which most effectively covers up the capitalistic trick upon the working class, viz. the commodity form of the working-class's labour-power, or the wages form of that labour-power's value. Whilst the "vulgar" and false appearance of things is that wages are a payment for labour—a thing which has no value! —this Part VI shows wages to be the transformed value of the labour-power commodity, of that extraordinary proletarian commodity which imitates regular commodities by metamorphosing into money and other things.

Part VII shows the results of capitalist exploitation of labourers: viz. first, the accumulation and increasing accumulation of surplus-value, which has been produced by the exploited working class and which is owned and amassed by its non-producers, the exploiting capitalist class; second, the corresponding augmentation of toil for exploited wage-labourers, the accumulation of penury and misery for toil-ground masses, and even the aggravation of these awful results by cheating and mean robbery of the exploited working class on top of, and in addition to, the the cynical and pitiless exploitation.

And then Part VIII shows this cheating and robbery of the working class to be nothing fresh, and shows that it was only by means of the primitive robbery of toiling masses that capitalism could start business. The direct robbery, by seizing the means of production and by bare-faced cheating in "commerce"; and the indirect robbery, by means of taxes, etc., by seizing mediæval church properties, and thus closing this old avenue of working-class relief, and by etc.—only by means of such primitive wholesale robbery and plunder could the capitalist class actually come into existence—only so could the capitalist class have come by its "so-called primitive accumulation," by which "primitive accumulation" the capitalists could start in the business of capitalistically exploiting the working class.

Such, then, is the crushing and majestic tread—such are the irresistible processional steps—of Marx's tremendous book upon Capitalist Production, Vol. I of *Capital.*

Marx was driven from pillar to post; and, by an irony of fate, he was allowed to rest only near the great store-room of economic science. Had he not been exiled from Germany, France, and Belgium, the chances are that such a terrible indictment as his *Capital* would never have been produced. The British Museum, in London, was the one great store-house of all classics in economic science, which Marx appears to have made the most of in his exile studies for so many years.

This Vol. I is the only volume of the work that was finished by Karl Marx. It has been truly called a great work, a monumental work, and so forth, times out of number. Yet mere statement is not manifestation. I hope and believe that my readers may be able to realize this: viz. that, altogether, Marx's work is vastly bigger than usually has been supposed; that, in short, it has a magnitude which hitherto has been quite unsuspected. In the appropriate words of William Liebknecht on this topic: "When the lioness of the fable was ridiculed by a cat because she had given birth to one cub only instead of half a dozen, she said proudly: 'Only one, but a lion.'"

Right through his work Marx scientifically analyses capitalism. Marx gleaned the capitalistic truths hidden in

works of " classic " economists, putting them into proper shape and order, and presented them, together with his own discoveries, in an intelligible and scientific whole, viz. his own scientific and critical presentation. With his masterly hand Marx traces capitalism from its roots and early beginnings, through its development, to the inevitably approaching finish. He portrays the conditions of capitalism's inception; he traces capitalism in its embryonic stage, in its youth, in its maturity, and in its decrepitude and approaching dissolution. His work is an exhaustive analysis of capitalist production, of its composition and character, its historic and prehistoric causes, and of the historic tendency of capitalist accumulation—which tendency is unmistakably towards capitalism's exit or transit and supercession.

From cover to cover Marx's economic work is relentlessly scientific. From cover to cover Marx's work gives no chances nor loopholes for capitalist apologists or " vulgar economists." Just as, in some perilous positions, a person's only hope is to be either a fool or a liar, so apologetic " economists," who presume to attack Marx's colossal work, either as a whole or in any detail, have no choice but either to misunderstand the work or deliberately to misconstrue it.

The solid science of Marx is so firm, however, that it outlasts and outlives all attacks that so far have been made upon it. Not only so, not only does it outlive the malice of all its natural enemies and detractors, but it also outlives the unintentional damage, the many misunderstandings and misinterpretations of well-meaning devotees. And last, but not least, it outlives all the stupidity and mischief of " scientific " tom-tits, the too-busy " jingle-jingle " advertising " Marxists."

Despite the stupendous proportions of the task which Marx had taken upon himself; despite the manifold difficulties and complexities of the subject; despite all the variegated so-called " Marxism," both the unintentionally false and otherwise false; despite all those people who have time only to half-understand Marx's work, and who in consequence unavoidably garble it, to the detriment of

many earnest students; despite all the structural stupidity and organized nonsense put out by capitalism's mercenary professors; despite all the "furies of private interests" arrayed against it—despite everything—the truly brilliant science of Karl Marx shines forth gloriously and serenely, like the lofty, refulgent, beneficent noonday sun.

THE MARXIAN ECONOMIC
GLOSSARY

CONTAINING

DEFINITIONS OF ABOUT 700 TERMS

USED IN THE

ENGLISH TRANSLATION OF MARX'S "CAPITAL,"

TOGETHER WITH AN

ADDENDUM

CONTAINING

ENGLISH TRANSLATIONS
OF ALL THE FOREIGN QUOTATIONS

AND

EXPLANATIONS OF ALL ABBREVIATIONS,
GREEK CHARACTERS, FORMULÆ, SIGNS, ETC.,

APPEARING IN THE TEXT OF

"CAPITAL"

All Alphabetically Arranged.

NOTE.—The complete literary meanings of the terms defined in this Glossary are not necessarily attempted. As a general rule, the Marxian applications of the terms, or special meanings as used in Marx's economic work, are all that herein are regarded as important.

THE GLOSSARY

OF ECONOMIC AND OTHER TERMS

USED IN MARX'S

"CAPITALIST PRODUCTION"

A

Abbreviating : shortening ; as abbreviating the process of capitalist development, artificially, by means of "Protection."

Abbreviation : a shortened form or process ; as Marx's shortened road, by way of "exchange-value," to the consideration of "value."

Absolute : alone ; said of a thing considered by itself ; opposed to "relative." (*See* RELATIVE.)

Absolute Value : any value regarded by itself, and not in relation to any other value.

Absolute Surplus-Value : value produced by the "surplus-labour" which exceeds the "necessary labour," or value produced by the labour which forms an absolute extension over and above the "necessary labour." (*See* NECESSARY LABOUR and RELATIVE SURPLUS-VALUE.)

Absorbent : something which will suck in ; as those absorbents of labour, the means of production.

Abstinence ; self-restraint ; as the capitalist's abstinence from eating and drinking his capital, which he only consumes industrially or productively by means of his labourers ; or as the capitalist's frequent abstinence from paying "decent" wages to these labourers, whereby he reaps the difference as more so-called "reward of abstinence."

Abstract : to mentally separate or take away ; to regard similar things apart from their differences ; as in the phrase, "All kinds of labour are exhausting" (which is to say : abstracted

labour, or abstract labour, or labour in the abstract, is exhausting—quite apart from whether it be the tailoring kind of labour, the brick-laying kind, the farming, or any other kind —the human labour is always exhausting).

Abstract Labour : the industrial expenditure of human energy ; the labour of human industry, no matter what kind of industry ; opposed to " concrete labour." (*See* CONCRETE LABOUR.)

Abstraction : the mental process of separating things from some of their attributes ; as, for example, mentally separating commodities from their differences (their different useful qualities or use-values), and considering them only in regard to that sameness in them which constitutes their value.

Accumulated : amassed, collected, or heaped up ; as the accumulated skill and experience of generations of the working class ; or as the fabulous product of the working class constituting that wealth accumulated in the hands of the capitalist class.

Accumulation : an amassing, an increase by growth or by additions ; as, for example, the accumulation of capital by repeated and progressive conversions of surplus-value into fresh capital.

Active : producing or originating any action ; opposed to " passive." (*See* PASSIVE.)

Acute : a sharp and sudden condition ; opposed to " chronic." (*See* CHRONIC.)

Ad Libitum : at will, as much as, or how, one pleases ; as, for instance, before the Act of 1833, English children were exploited day or night, or both day and night, *ad libitum.*

Ad Oculus : to the eye.

Adolescents : persons growing into manhood or womanhood.

Ædileship : municipal control of works and buildings.

Æsthetic : belonging to the perception or the science of beauty.

Afflux : a flowing into.

Agencies : factors, or the means which produce any given effect ; as the material agencies which capitalism invokes for its own undoing.

Ager Publicus : the public lands.

Agiotage : premium or brokerage.

Alchemistic : pertaining to the early chemistry, which sought to convert base metals into the precious metals.

Alchemistic Retort of Circulation : the process of selling commodities, regarded metaphorically as the process by which base things (or common things) are magically turned into gold.

Alienable : that may be put away, or exchanged away, out of one's possession.

Alienate : to estrange ; to put anything from one, or to part anyone from some property ; to put a thing out of one's possession, as by exchange or by sale, or to separate persons from property by expropriation or robbery.

Aliquant : a quantity contained in another quantity, but which leaves a remainder ; as 9 is an aliquant part of 10 ; or as the surplus-value which is an aliquant part of a commodity's new value, and which leaves a remainder to represent the wages.

Aliquot : a quantity contained in some other quantity an exact number of times ; as 9 is an aliquot part of 18 ; or as the working day of an individual in society is an aliquot part of society's working day. (In the English translation of *Capital* this word " aliquot " is sometimes wrongly used instead of the word " aliquant " ; for instance, on second page of Chapter XVIII, Vol. I).

Anachronism : anything recurring after its proper time or era, or anything that continues after its usefulness has disappeared.

Analysing : resolving any compound thing into its constituent elements, so as to expose or ascertain its detail character ; as analysing the production process or the factory system, etc., into their elemental parts.

Analysis : the resolving of anything into its elements ; as the analysis of a capitalist commodity's value into its various constituent parts, representing the old value (of means of production used up) and the new value (which replaces the wages-value and, in addition, yields a surplus-value).

Anarchical : not consciously governed or controlled ; as the anarchical system of capitalist competition.

Anarchy : the state of being without conscious government ; as the anarchy in capitalist production, where every capitalist vainly tries to anticipate the amount of demand that he personally will meet in the market for his commodities.

Annuitants : those people who regularly receive money or yearly incomes ; as the holders of public bonds, etc.

Anti-climax : a decrease of strength or importance in any discourse, following upon the most forceful point or the point of highest importance.

Anti-Jacobin war : the fight of the British *bourgeoisie* against the revolutionary proletaire at the end of the eighteenth and early part of the nineteenth centuries.

Antinomy : self-contradiction in any law ; opposite results of a law that yet seem equally valid ; as in the law of exchanges, where the capitalist claims the right to extend the working day and the labourer claims (and can only see) his right to have the working day shortened.

Antiquity : ancient times ; the traditional and historic times before the " Middle Ages," or up to the fall of the Roman Empire in the fifth century.

Antithesis : a direct opposite or contrast ; as the antithesis between town life and country life, or as the antithesis between private property and common property.

Antithetical : opposite or contrasted in character ; as the antithetical acts, buying and selling.

Apologetic : defending or seeking to justify.

Apologetics : that branch of so-called economic science which attempts to justify the capitalist system.

A posteriori : the process of reasoning backwards from an effect to its cause, or according to experience ; opposed to " a priori." (*See* A PRIORI.)

Appropriated : (1) to set to some special purpose, as natural and physical forces appropriated to production ; (2) seized or taken possession of, as the Duchess of Sutherland " appropriated 794,000 acres of land " and hunted the owners off it.

Appurtenances : things belonging to some other things ; as that living appurtenance of developed capitalism, the wage-working class.

A priori : reasoning forwards from cause to effect, or in accordance with one's previous notions ; opposed to " a posteriori." (*See* A POSTERIORI.)

Archaic : not now commonly used ; belonging to some earlier period ; antiquated ; obsolete.

Area : any space on the earth's surface : figuratively, the extent or range of anything ; as the area of the products produced in the lifetime of a factory machine.

Assumption : a scientific supposition ; as the assumption of sea-level, necessary for the examination and presentation of land levels and mountain heights ; or as the assumption of equal value-for-value exchanges, necessary for the examination and presentation of important economic features.

Atomic : of the nature of, or belonging to, the smallest part ; as the atomic behaviour of individuals in capitalist society and capitalist industry, namely " each for himself."

Autocracy : uncontrolled governmental power, or absolute and unqualified rule ; as the autocracy of capital over the work-people in factories.

Automatic : self-moving or self-acting ; as the apparently automatic motion of capital-value, which seems to move itself through the different forms of its turn-over ; or as the automatic factories, where the machinery automatically drains the working strength from the wage-labourer's bodies.

Average : general, ordinary or medial ; neither high nor low ; as the average of the three numbers, 2, 4, and 15, which is 7 —because the total of the three numbers gives three lots of 7, or 21 in all.

B

Bagmen : commercial travellers ; satirically, the " Free Trade " bagmen who must sell their " Free Trade " gospel at any price.

Banalities : phrases or words that have lost their force of meaning through over-use, and that have thus been rendered commonplace and vulgar.

Barbarism : the status or condition of human society intermediate between savagery and civilization.

Barometrical : figuratively, rising and falling like the readings of a barometer.

Barter : the direct exchange of commodity for commodity ; the earliest form of regular commodity exchange (distinct from the circulation of commodities, developed later, which was effected by means of " general equivalents " at first, and subsequently by means of money).

Beau ideal : excellence model, or model of excellence.

Bel-esprit : a wit ; a clever talker.

Bestial : beastly or brutal ; as, with the accumulation of capital, the condition of the badly-paid labourers becomes " rather bestial than human."

Blasé : blunted in perception ; rendered stupid.

Blasphemy : impious or contemptuous acts or speech directed against " sacred " things. The most " sacred " things under capitalism are such as the " public credit " and the so-called " national wealth " (*alias* " national debts "), and want of faith in these gods has largely taken the place of " blasphemy against the Holy Ghost."

Bobbin : a thin or slender reel, inside a shuttle, for winding thread upon.

Bona fide : with good faith ; honest.

Boon : a piece of luck ; a good gift.

Boot : over and above. **To Boot :** in addition to.

Bought : obtained in exchange for money ; figuratively, obtained or brought about at some other sacrifice.

Bourgeois : literally, a townsman ; belonging to the capitalist class ; a member of the manufacturing or middle class as distinguished, on one hand, from the landed aristocracy and, on the other hand, from the wage-labouring class.

Bourgeois Political Economy : the science of political economy according to *bourgeois* (capitalistic) writers, which is divisible into two distinct parts corresponding to two distinct periods, viz. the Classic period and the Vulgar period. The Classic period is characterized by honest inquiry and research, and practically terminates with the scientific achievements of David Ricardo. The Vulgar period then sets in (" in place of genuine scientific research, the bad conscience and the evil intent of apologetic "), and is characterized by all kinds of ignorant or impudent nonsense ; and the more it obscures and conceals the real character of capitalism, the more it is embraced and belauded by the much-interested capitalist class.

Bourgeoisie : all the capitalist classes, including all the large and small shopkeepers and all the different professional people, as well as moneylenders, brokers, bankers, landlords, etc.

Boyard : an aristocrat of the Danubian provinces, somewhat like the lord of the manor in Feudal England, who lives upon serf's labour, called *corvée* and *jobagie*.

Breed : to increase and bring forth offspring (as in the case of the " fetish," capital, which yields a surplus-value). The " farmer proper, who makes his own capital breed by employing wage-labourers " (*Capital*, Chapter XXIX). " The public debt . . . endows barren money with the power of breeding, and thus turns it into capital " (ibid.).

Budget : a financial statement.

Bullion : precious metal that functions as international money, but only by its fineness and weight, and quite regardless of any coined form it may happen to be in.

Butyric acid : an acid extracted from butter.

Buy : to obtain possession of, at a price or in exchange for money : figuratively, to obtain by some sacrifice other than money ; as the wage-labourer must buy the results of previous labour with more (a greater quantity) of present labour. (This metaphorical use of the word " buy " is unscientific, and it should be dropped.)

Buyers : those who exchange away money, or claims to money, in return for commodities.

Buying : exchanging money away for other things ; metamorphosing money into commodities : figuratively, making some sacrifice other than money in return for what is thereby procured. (This figurative use of the word " buying " should be dropped, in order to avoid ambiguity.)

C

Cabalistic : of an unseen and secret character.

Cabaret : a wine shop ; a tavern.

Caloric : heat giving, or driven by heat.

Canting : whining, insincere and hypocritical ; as the canting outcries of capitalist creatures against the more glaring " cruelties " of capitalism.

Cantons : separate States in the Swiss Confederacy.

Capital : a value that expands by absorbing unpaid labour ; a self-expanding value, the secret of whose expansion is its functional absorption of unpaid labour. Standard capital (i.e. industrial capital or capital proper) is a value that increases itself into a bigger value by consuming the labour-power of wage-workers or by directly absorbing unpaid

labour ; it is " value that sucks up the value-creating power " (*Capital*, Chapter XXIII). Capital is a further stage, past the " mere money " stage, in historic development of the " value " fetish. (*See* VALUE.) With standard capital the absorption of unpaid labour is direct. With derivative forms of capital, such as merchant's capital, landlord's capital, moneylender's capital, etc., the absorption is indirect, the actual absorption taking place in industry, and the resulting surplus-value subsequently transforming into profits, rent, interest, etc.

Capitalism : the present social system, which is based upon capitalist production and distribution ; that is, based upon production and distribution carried on expressly and principally for the self-expansion of the invested capital values.

Capitalist : a person who possesses capital, or who obtains surplus-value or any of the divisions of surplus-value, such as profit, rent, interest, fees, etc. ; generally, a person in the capitalist system who somehow manages to obtain his living without belonging to the producing class, or without producing anything himself, and who (since all of us can only live upon labour products) therefore lives at the expense of the producing class (the wage-working class).

Capitalist Production : the system of producing society's living as values and surplus-values, by exploiting the body-strength of wage-labourers, or by consuming the labour-power of the working class.

Carbon : a chemical substance, regarded as an element, which is found in all organic matter and which is therefore quite necessary to any living existence.

Carding : straightening out fibres, such as those of cotton or wool, so that the fibres may afterwards be spun into uniform and regular threads.

Castes : social classes ; divisions of society based upon hereditary privilege, wealth, etc.

Casuists : hair-splitting moralists and confounders of right and wrong.

Category : a class of persons or things ; as the categories of workers, such as boys, girls, or young persons, etc. ; or as a category of economics, such as commodities, or values, or capitals.

Cent : centum ; hundred.

Centralization of Capital : the further accumulation, into one control, of a number of capitals already concentrated or formed ; the formation of a central and comparatively huge capital at the expense of a number of smaller capitals. (*See* CONCENTRATION OF CAPITAL.)

C'est bon : this is good.

Ceteris paribus : other things being equal (and therefore nullifying each other as regards the present reasoning).

Chartist Movement : a working-class movement in which the People's Charter was presented, in 1838, demanding political reforms. The *Encyclopædia Britannica* says : " . . . The condition of the manufacturing poor was deplorable, and it gave rise to the Chartist agitation for admission to equal political rights with the middle classes."

Cheque : an order upon credit in a bank, which represents money in its function of " the means of payment."

Chevaliers d'industrie : those people who live by their " wits " (sharpers and swindlers) ; cleverly applied by Marx to the early capitalists in their very shady process of ousting both the guild masters and the feudal lords (" chevaliers of the sword ").

Chrematistics : the ancient science of political economy ; the ancient so-called " money-making."

Chronic : of long duration ; of long standing ; opposed to " acute." (*See* ACUTE.)

Chronology : the arrangement of historic events in the order of their times of happening.

Chrysalis : the hard and apparently lifeless form of an insect in that stage of the insect's life intermediate between the worm stage and the flying stage ; figuratively, that middle stage of a commodity's career, when the commodity has been metamorphosed and occupies the form of the " general equivalent."

Ci-devant : former ; of the past.

Cincinnatus : the hero of an early Roman legend, twice called from the plough to the dictatorship of Rome.

Circulating Capital : that part of a capital value (in the raw materials, etc.) which readily or quickly passes through the characteristic cycle traversed by the whole capital (that cycle which in time is traversed also by the so-called " fixed capital ").

Circulating Medium : one of the functions of money; the medium or go-between that functions in the circulation of commodities.

Circulation : the sum total of all the sale-and-purchase metamorphoses of commodities; the distribution of commodities, by means of money, into the hands of their consumers.

Circulation Capital : the capital values on the market at any time; as the commodities and money belonging to a capitalist, which commodities are thrown out of the production process, and which money functions as the realization form, or converted form, of the commodities.

Circulation of Capital : a circulatory movement of value (characterized by buying in order to sell) derived from the circulation of commodities (which is characterized by selling in order to buy); a double-phased process indicated by Marx's formula M—C—M, or more appropriately M—C—M′, the aim and object of which process is an augmentation of the value.

Circulation of Commodities : the double-phased process indicated by the Marxian formula, C—M—C; the modern distribution of commodities into the hands of their consumers; the complete metamorphosis of commodities; the conversion of commodities, into other and different commodities, by the double (or " complete ") metamorphosis, or the double process of selling and then buying.

Ciseleur : a carver or chaser of metals.

Civilization : that stage of social development characterized by civic institutions or town life. (In Lewis H. Morgan's *Ancient Society*, ancient civilization is marked by the invention of writing.)

Civis Romanus : a citizen of Rome.

Class Consciousness : the perception or consciousness of antagonistic interests between the working class and the capitalist class.

Classic, or **Classical :** pure; correct; refined.

Classical Economy : that scientific phase or style of *bourgeois* " political economy " (down to the time of David Ricardo) which honestly sought to understand and present the economics of present political society—capitalistic production and distribution of wealth.

Class Struggle : the clash of opposed class interests, or the dispute and strife, between the working class and the capitalist class, which struggle is ever becoming more clarified and more outspoken.

Clearing : a fancy name for the process of hunting people off their land (stealing the land from under them) and turning them into proletarians dependent upon capitalist employers ; also, the process by which a bank obtains a daily balance of its debits and credits with all the other banks.

Close Villages : English villages cleared of labourers' dwellings (by these dwellings having been destroyed), so that the parishes may have smaller liabilities for the " poor rates."

Cœteris paribus : (*See* CETERIS PARIBUS.)

Coin : a functional phase or aspect of money ; moving money ; money in motion ; money in currency, or money in process of moving from hand to hand.

Collective Labourer : any group of labourers who together perform one combined operation or one complete task, or who together produce any one commodity.

Collective Power : a new and extra power of the collective labourer, which power is a something over and above (a something more than) the sum of all the individual powers.

Colonial System : the system of extending the territorial domain of capital (or of capitalistically acquiring, and settling upon, fresh lands) by means of either slaves or convicts, or of so-called " free " labourers.

Colonies : distant settlements worked by emigrants, either " free " or enforced, and constituting extensions or appendages of the parent State : also, a number of foreigners or strangers, from the same place or of the same occupation, settled (temporarily or permanently) in any locality of a town or country ; as the colonies of miners invited by English landlords to labour on their estates, but not allowed proper lodging ; or as the many large colonies in London, whose miserable accommodation is often " absolutely unfit for human beings."

Commensurable : measurable in common or by a common measure ; qualitatively equal ; as the commensurable value in all commodities, by virtue of which the commodities can all be measured with the one-value measure.

Commercial War : the war between captialist nations for

dominion of the world. (In the late part of the seventeenth century this commercial war commenced, as a struggle for aggrandizement, by the then capitalist nations. It was carried on by the five nations, England, Spain, Portugal, France, and Holland. It is now kept going by quite another set of nations, but it is not yet finished.)

Commodity : a combination of use-value and value ; any useful thing or use-value containing value ; a product that goes to market as a value ; a complex of natural and social realities, viz., the natural realities (material qualities) which constitute use-value, and the social reality (society's embodied labour) which constitutes value ; any industrial product which is useful to a non-producer of it, and which is produced for the purpose of exchanging away to realize its value.

Complement : that which makes something complete ; that which, when added, completes or makes full.

Complementary : filling up ; making complete.

Complex : a complication ; complicated.

Composition of Capital : (1) the organic make-up of any capital ; the relative proportions in which a capital value is composed of the value of means of production on one hand, and the value of labour-power (wages) on the other hand ; (2) the technical make-up of any capital ; the relative proportions of all the different requirements (buildings, machinery, implements, materials, labour-power) for carrying on capitalistic industrial operations.

Concave : with a rounded hollow, like the inside of a saucer ; opposed to "convex." (*See* CONVEX.)

Concentrated : brought together at a certain point ; as the various means of production (used by different handicraftsmen) concentrated into the hand of a capitalist for the process of manufacture.

Concentration of Capital : the formation of a number of small capitals by the alienation of the means of production out of the possession of numbers of individual operators (workers) and the amassing of these means of production as possessions of individual capitalists. This accumulation process is, subsequently, followed by the other accumulation process called by Marx the "Centralisation of Capital." (*See* CENTRALIZATION OF CAPITAL.)

Concept : the reflection of something in the mind ; the mental representation of something ; an idea ; a mental image.

Conception : the formation of a concept or an idea, or the concept or idea itself ; as the conception of capital's " inner nature."

Concrete : any hard and fast example ; any actual instance or particular case ; the opposite of " abstract " ; as baking, which is a concrete instance of human labour ; or as a weaver, who is a concrete example of haumn labourer. (*See* ABSTRACT.)

Concrete Labour : any particular form or concrete instance of human labour ; some individual work ; some separate kind of human labour, such as tanning leather, or making pig-iron, or such as produces any definite sort of use-value. Opposed to " Abstract Labour." (*See* ABSTRACT LABOUR.)

Conditioned : dependent upon certain circumstances ; determined by, or only possible in, special surroundings ; as capital, which is conditioned by unpaid labour—i.e. without unpaid labour, capital would be impossible.

Congealed : frozen ; hardened ; crystallized ; as the fluid living labour which, under the " fetishism of commodities," is regarded as having congealed into values or into those value-crystals called commodities.

Congealed Labour-Time : a magnitude of that fetish, value ; a quantity of that living fluid, reality, the labourer's labour, which has become frozen or crystallized into so much dead labour, or so much solid value for throwing upon the market.

Congelation : solidification ; as social labour's fetishistic congelation into commodities as values.

Consecutive : following in regular serial order ; as 8, 9, 10 ; or as Saturday, Sunday, Monday.

Constant : remaining unchanged as a quantity. (See VARIABLE.)

Constant Capital (abbreviation of " the constant part of capital ") : that part of a capital value which is invested in the means of production, such as raw materials, implements, etc. ; which means of production are consumed by capitalist industry, but whose value is thereby transferred into the new commodities without increase or decrease. (*See* VARIABLE CAPITAL.)

Consumed : used up ; destroyed ; as the means of production are consumed by industry, or as the means of subsistence are consumed by one's living.

Consumption : destruction by being used up ; as, in industry, the consumption of all the implements, raw material, etc., and the labour-power ; or as, in living, the consumption, by eating, wearing out, etc., of all the different means of living.

Contemporaneous : happening at the same time ; as in " 1835 great prosperity " and the " contemporaneous starvation of the handloom weavers."

Contingent : a mass of human beings available for use.

Conventional : established by general or tacit consent, or by custom ; being according to accepted standards.

Conversion : transformation ; change of form or of substance ; as the conversion of commodities into money by selling, or the conversion of money into commodities by buying ; as the conversion of " stocks into money " (*Standard Dictionary*) ; or as the " conversion of surplus value into capital " (Marx's *Capital*, Chapter XXIV).

Convex : a round bulging outwards, like the outside of a ball. Opposed to " concave." (*See* CONCAVE.)

Co-operation (not to be confounded with any shopkeeping) : a labouring together ; joint industrial action ; the industrial process of working together in groups and, by means of united activity, accomplishing some useful result.

Corn Laws : English laws restricting the importation of corn by duties, resulting in high prices of corn and as a consequence a comparatively high minimum wage ; repealed in 1846.

Corporal : bodily ; relating or belonging to the body ; as the corporal punishment to speed-up wage-labourers, which was legal in England by a statute of 1360.

Corvée : unpaid labour (serf-labour) in the Danubian Principalities, performed, under compulsion, by the peasants for the *boyard*, or landowner.

Cosmical : pertaining to the material universe ; as cosmical matter, which is the stuff that worlds are constituted of.

Count as Labour : to rank as a valid part of society's labour ; as, labour does not " count as labour " if it be wasted in producing any thing of no use—such labour can only count as wasted labour.

Counter Pole : the opposite pole. (See POLES.)

Coup d'état : a sudden and unexpected Governmental stroke, generally unconstitutional.

Credo : faith ; a creed or form of belief ; as " public credit becomes the credo of capital."

Crétins : imbeciles ; idiots.

Crises : more than one crisis ; the plural of crisis.

Crisis : a turning-point in any concern or career ; a time of change ; an interruption or critical stage in the capitalist cycle, viz. the time of glutted markets or great unemployment.

Crystallizes : hardens or becomes fixed ; as a detail process in industry, by the division of labour in manufacture, crystallizes into one man's function.

Crystallizing : hardening in form or becoming fixed ; as the crystallizing of a detail operation into one man's function (which is done away with by machine industry where the attendant of one machine may readily become the attendant of some other machine).

Cultus : a particular system of religious belief or worship ; as the Christian " cultus of abstract man " (that is, human characteristics abstracted from humanity and formulated into the Christian ideal, or the man-made Christian God).

Currency : the moving money of markets ; the condition of being in motion by flowing from hand to hand, as coins in currency.

Current : flowing, or moving, from hand to hand, as current money.

Cycle : a round ; a series of events which recur in the same order ; a passage from a phase or point through various other phases or points round back again to the same original, or to a corresponding, phase or point ; as the cycle of modern industry, " a series of periods of moderate activity, prosperity, over-production, crisis and stagnation."

Cyclopean : vast ; massive ; huge ; as the cyclopean steam-engines of nineteenth-century factories.

Cyclops : a giant of Greek mythology ; also the plural, or more than one, i.e. giants.

Cynic, or **Cynical :** dog-like ; like a surly dog ; like a rude and gruff dog ; as the " commodity," which is " a cynic " always prepared to exchange its body and soul with any other commodity ; or as the cynical attitude of employers whose " only reason " for objecting to cessation of all night labour for boys under eighteen is the " increase of expense."

Cynically : with the manner of rude and surly dogs ; as " The

nations bragged cynically of every infamy that served them as a means to capitalistic accumulation."

Cynicism : the state or condition of being cynical ; contempt for the opinions and valuations of others ; as the cynicism of capitalism, which separates intellectual productive powers from the manual labour, and which employs science and invention that the labourers may " always be taught docility.

D

Dead Labour : labour which has ceased or finished its living activity ; past labour materialized ; labour which is already performed and past, and already embodied in products.

Decades : ten-year periods, like the twenties or thirties, etc., of any century ; as the early decades of the nineteenth century, during which decades machinery came to be produced by means of machinery

Decaied : old English word for " decayed."

Decennial : happening about every ten years ; as the decennial industrial cycles which commenced in 1825.

Decimal : a numerical system in which fractions are reckoned in tenths or powers of tenths ; as 0·5 (i.e. five-tenths), or 0·05 (five-hundredths), or 0·005 (five-thousandths).

Deliberate : done intentionally or after having been thought of ; not rash or hasty ; as the capitalist's deliberate separation of surplus-value into revenue and fresh capital ; or as the deliberate lie under cover of which the silk manufacturers continued the exploitation of children under thirteen for ten hours a day.

Demesnes : the lands held in the respective private powers of individuals ; the estates of the feudal barons ; as the demesnes called " enclosures " which were turned into tenancies by expropriating the yeomanry.

Demiurgos : a world-maker or a world-builder.

Denominator : the lower of two quantities placed one above the other (in the form of a fraction or ratio), expressed either in figures, letters, or words ; as $\frac{\text{surplus-labour}}{\text{necessary labour}}$, $\frac{s}{v}$, $\frac{s}{c}$, $\frac{365\,A + 52\,B + 4\,C + \text{etc.}}{365}$, or $\frac{3}{4}$. (The reason for the name can easily be seen in the last example. In the fraction of $\frac{3}{4}$,

the lower figure is the denominator because it denominates or names the fraction as a fraction of fourths, viz. the fraction of three-fourths.)

Department of Production : a Marxian division of all social production, by which every product is classed according to whether it satisfies human wants directly or indirectly ; if directly, the product belongs to Department II, which means that of the production of the means of individual consumption ; if indirectly, the product belongs to Department I, which means that of the production of the means of production.

Dependent : subordinate ; connected with, as an effect ; subject to something exterior ; as the rate of wages, which is a dependent variable, dependent upon another variable, viz. the rate of capitalist accumulation.

Depository : that in which something is deposited ; a something in which something else exists ; as the commodity, or industrially produced use-value, which is the depository of value (and of surplus-value). (Marx's Chapter I of *Capital*, in the first par. of section 3, says : " They are . . . commodities, only because they are something twofold, both objects of utility, and . . . depositories of value." Speaking of the capitalist, in his prelude to Part VII of *Capital*, Marx says in the first sentence of the third paragraph : " The capitalist who produces surplus-value—i.e. who extracts unpaid labour directly from the labourers and fixes it in commodities . . .")

Depreciate : reduce or lower the value of ; as to depreciate the old machines by introducing better and cheaper new machines.

Depreciated : lowered in value ; as when, through new inventions, machinery can be produced by less labour, the old machines become thereby depreciated.

Depreciating : lessening or lowering the value of ; as depreciating the value of labour-power by means of machinery (through thereby cheapening the labourer's means of subsistence).

Depreciation : fall in value ; a reduced or lowered value of ; as the depreciation of money by its being produced with less labour, or as the depreciation of factories and machinery through their being used up.

Dialectic or **Dialectical :** pertaining to the historical or dynamical process in which, and by which, society lives, moves and

changes its being ; pertaining to the dynamic or moving aspect of things, or to the movements of history and historic changes ; as the laws based upon commodity production which, by their own dialectic, become transformed into their opposite (into laws of capitalist commodity production).

Diametrically : being as the opposite ends of a diameter ; having the utmost degree of opposition ; irreconcilably opposite ; as the system of capitalist production, which is diametrically opposed to the system of independent individual (handicraft) production.

Differentia Specifica : specific difference ; the special difference which characterizes and distinguishes anything ; as the *differentia specifica* of capitalism, which is the production of surplus-value by wage-labourers.

Differentiation : making different ; becoming different ; seeing a difference ; making a distinction ; as " the differentiation of commodities into commodities and money."

Directly : immediately, or without the intervention of any go-between ; as food, which serves directly as a satisfaction, whilst the means of producing food do not : also, in the same direction ; as value, which varies directly as the quantity of embodied labour (the more the labour necessarily embodied in an article by its production, the more is its value). Opposed to " inversely." (*See* INVERSELY.)

Directly Exchangeable : immediately exchangeable or acceptable without any go-between ; as gold, which is directly exchangeable with all other commodities.

Directly Proportional : proportional in the same direction or in the same degree ; as, in different lengths of working time, the old values and the new values (embodied into the new commodities) are directly proportional to each other ; or as relative surplus-value is directly proportional to the productiveness of labour.

Discounting : deducting a sum or percentage from a principal sum ; as interest allowed for advancing the payment of a bill before the time of its becoming due.

Discrete : separate and distinct ; not connected ; not working together.

Disparate : dissimilar ; discordant ; incomparable.

Distribution : apportionment ; the division and disposal of the

various parts of anything; as the distribution of produced wealth, as the distribution of the working class amongst the different industries needing them, or as the new distribution of social capital which happens with the centralization of previously concentrated capital.

Division of Labour in Manufacture: the analysing or cutting up of a productive process into detail operations or elementary movements, so that each workman tends to become only a subordinate and specialized part of the many-sided living mechanism that carries on the process of manufacture. (*See* MANUFACTURE.)

Division of Labour in Society: the analysis or cutting up of man's labour (human labour) into different and distinct industries; as building industries, clothing industries, etc.

Docility: the state of being docile or manageable; as the docility which machinery teaches to the wage-labourers.

Doctrinaire: an impractical theorizer; a person who theorizes upon social questions without sufficient grounds or data.

Dogma: something taken on faith or simply believed in, instead of being reasoned out or resting upon evidence; as the Free Trade dogma to the effect that securing one's private interest secures also the common welfare; or as the dogma that capital's action depends upon the increase of labourers (the truth here being simply that capital goes through the whole cycle of its actions in less than ten years, whilst a new and fit labourer requires at least fifteen years to produce).

Dogmatic: given to bald assertion instead of reasoning, or instead of proceeding from experience; as the dogmatic stuff about wage-increases for farm labourers, which the farmers nullified and disproved by installing machinery (*Capital*, p. 653; Kerr ed., p. 700).

Domestic Circulation: the home circulation; the complete metamorphosis of commodities taking place entirely inside any community; the conversion of local products into local money, and then of this money into other local products.

Domestic Industry: work performed at a home. In modern times, domestic industry has become a hideous caricature of its old-fashioned self, being now merely an outside part or department of the factory.

Drachma : an ancient coin that varied in value between 4½d. and 8½d.

Dramatis Personæ : characters or persons represented.

E

Eau de vie : brandy, or water of life.

Eckart : " the faithful Eckart," a German legendary character, who sits before a mountain " and warns the people of its dangers."

Economic : pertaining to the production or distribution, or the production and distribution, of wealth.

Economical : same as economic : also, careful and prudent management ; opposed to extravagance or waste.

Economics : the study of, or science of, the production and distribution of the wealth upon which society lives.

Economic Structure : the peculiar relations between all the different members and classes of any given society, which relations will be in accordance with the society's stage (or mode) of wealth production and distribution ; as the complex relations (between slaves, slave-holders, and hangers-on) in chattel-slave society ; or as the more complex relations (between wage-labourers, industrial capitalists, and all the different hangers-on) in capitalist society.

Economized : used carefully and effectively ; used with good management and without waste or extravagance.

Economist : one who lectures or writes about, and who has therefore studied (and presumably is versed and proficient in) the science of economics.

Economy : the production and distribution of wealth in any society : also, the science, or study, of such production and distribution and of the laws thereof.

Efflux : a flowing out ; as the efflux of labourers out of the country into the towns.

Egoism : self-love ; as the shameless egoism of the English Parliament as a capitalist union against the working class.

Eleatics : an ancient school of thought which taught that " the One, the Absolute, or Pure Being, is the only real existence, and that the world of phenomena, or the many, being unreal or merely an appearance, all attempts to explain it or them scientifically are useless."

Elementary Form of Value : the simplest or most rudimentary expression of value ; the germinal or fundamental value-expression, from which Marx traced the development up to the modern expression of value by money.

Embodiment : the state of being contained in some body ; as a gold body, which contains, or is the embodiment of, value ; or as those means of production which contain, or which are the embodiments of, capital.

Embryo : anything in its early formation stages.

Emigration : a moving away ; as the emigration of people out of a country ; or as the emigration of labourers or of capital out of a declining line of industry

Empirical : relating to experience or observation, as opposed to anything merely theoretical.

Empirically : in an empirical manner ; by experience apart from science ; as branches of manufacture which empirically acquire suitable forms.

Emporium : a chief or an important trading place.

En chef : as the chief ; in chief.

Engrossing : amassing into a monopoly.

Enigmatical : of a puzzling character ; as the enigmatical " equivalent form " of value.

Entrepreneur : one who undertakes an industrial enterprise or venture for profit.

Epigoni : unworthy successors ; scientific degenerates.

Equilibrium : equipoise ; a state of balance between forces or interests.

Equivalent : anything which is regarded as equal to something else ; a thing that passes as being of equal value with something else.

Equivalent Form : the useful form assumed by a value (to the owner's mind) in the value's relation or expression.

Escamotage : trickery.

Establisseur : the owner of an establishment.

Euerie : old English word for " every."

Exchangeable : acceptable.

Exchange of Commodities : the alienation or giving of commodities in return for other, and presumably equivalent, commodities.

Exchange-Value : value expression ; the extrinsic appearance or expression of a commodity's intrinsic value ; the useful body

of some other thing which a commodity is worth in exchange; the expression of a commodity's value which is quantitatively definite and which is independent of (being separate from) the commodity.

Exigencies: urgently needy conditions.

Exoteric: openly taught; not deeply thought out; in conformity with vulgar perceptions or vulgar understanding.

Expanded Form of Value: a faulty term in the English translation of Marx's *Capital*, meaning what I have more suitably called the "Extended Form of Value"; that repeated expression of a commodity's value which stands as quantities of the useful bodies of all other commodities.

Expansion: increased bulk; the augmented size of anything; enlargement.

Exploitation: a French word introduced by Marx to designate the capitalistic consumption of the working-class's labour-power; the wage-working of a labourer by an employer; the act of using, or absorbing, the labour of others so as to realize a surplus-value in it. Also (in a banalized form or comparatively harmless sense) to work a mine or any natural opportunity, or to work the conditions of a market. Sometimes the capitalist is "accused" (with a wink, one must imagine) of exploiting science or genius! Such amusing "criticism" entirely misses the really evil fact of exploitation. Whilst there is assuredly no harm in exploiting science, or the output of genius, or the natural forces, such as steam-power, water-power, etc. (therefore such "accusation" of "exploitation" can only be silly), the really revolting feature is this: that, by means of science, the capitalist exploits the working class more and ever more effectively. The capitalist uses science as a means whereby to more easily and more effectively exploit the labouring-class's working-strength. But the mild utopian "critics," with their soft impeachments, never take the risk of charging the capitalists with this callous and cynical exploitation—this really degrading, parasitical and brutallizing exploitation of the working class.

Exponent: that which represents the character or power of something else.

Expression: the manifestation of anything; a presentation of anything to the observation or to the understanding.

Expropriation : the depriving of people of some possessions or rights ; expulsion from ownership ; the taking away of any ownership.

Extended Form of Value : a term substituted by me for the unsuitable term " Expanded Form of Value " ; that repeated expression of a commodity's value which stands as quantities of the useful bodies of all other commodities.

Extensive : pertaining to the extent (either in time, scope, space, or numbers) to which the subject is applicable or operative ; opposed to " Intensive." (*See* INTENSIVE.)

External Circulation : the metamorphosis, or conversion, of home commodities into money, and thence into other commodities, which takes place outside the home community or State.

Extractive Industry : any industry in which the product is directly plucked from Nature ; as coal-mining or timber-felling.

F

Factor : one of a number of elements that together produce some result.

Factory : an industrial establishment containing machinery, by means of which commodities are factored (instead of being manufactured, or socially made by hand).

Faux frais : incidental expenses ; " overhead " expenses ; expenses which are generally a deadweight to capital, whether the capital be industrially functioning or not.

Fetishism : unreasoning devotion to any object ; a superstition ; the notion that material things are inhabited or occupied by some soul or spirit.

Fetishism of Commodities : the visualizing or imagining into commodities a set of relationships which, in reality, are disguised human relationships ; the superstition that value is a physical reality ; the superstition that value is a natural and material phenomenon.

Feudalism : the feudal system ; the social system wherein production was based upon the labour of serfs who were attached to, and belonged to, the land of the respective manors.

Fictio juris : legal show ; an appearance having the support of legality.

Fixed Capital : that part of a capital value which is invested in buildings, plants, implements, machinery, etc., which wear away only slowly, and in which therefore the capital value seems to be comparatively " fixed."

Form : the appearance of any reality ; the style or manner in which anything expresses itself or makes itself known, as opposed to its inherent nature or constitution ; the outward show of anything, by which the thing impresses itself upon the senses ; the mental image of anything, or the idea of it " in the mind's eye "—as the form of linen's value, which may be a coat.

Forms of Capital : the many and various forms serially occupied, and passed through, by a capital during its transit through the characteristic cycle or turn-over. For example, a certain capital value starts its career in the form of money ; its form is then converted, and it is turned into all the different kinds of industrial necessities (means of production and labour-power) ; these forms of the capital value are then converted into new commodities ; then, in the form of these new bodies or new commodities, the capital value is thrown upon the market and finally converted back again into the original form of money.

Form of Value : exchange-value ; any one of the four different styles of appearance, or expression, of a value (i.e. either the " Elementary," the " Extended," the " General," or the " Money " form of value). Unfortunately, the phrase, " form of value," is somewhat ambiguous. It not only means any of the four different styles of value-expression, but it also means either of the two sides which any one such style (or form " of value ") is composed of ; e.g. the " Elementary form of value " consists of the " relative " side and the " equivalent " side (which are also called the " relative form of value " and the " equivalent form of value ").

Formula : an exact sign, composed either of letters or of words, depicting some fact or idea clearly, for the purpose of guiding and helping a clear perception and study.

Formulæ : the plural of formula.

Fortunatus' Purse : the wonderful purse, in the legend, which was continually replenished just as often as money was taken from it.

Fourierism : the artificial system of phalansteries, or complete separate communities, proposed by Fourier for the regulation of society ; a system regulating not only production and distribution, but also the domestic life of the people.

Free Labourer : a labourer whose right in his own labour-power is recognized in order that he may sell it, which labourer is also quite " free " from any property upon which he could work for himself ; a labourer who is not legally bound to any landed estate or to any one locality ; a labourer who is " free " in the sense that he is not hindered, through owning any means of production, from labouring for wages ; a capitalist labourer who is disentangled from the ownership of any property over and above the living allowance for labourers ; a wage-labourer, as distinct from a serf-labourer or chattel-slave, and at perfect liberty (" free ") to compete for lower wages.

Free Trade : unrestricted commerce ; trade between different communities unlimited or uncramped by Customs' taxation.

Freetrader vulgaris : the common spouter of the Free Trade dogmas ; a self-satisfied person who instinctively " knows " that the policy of " each for himself and the devil take the hindmost " advances the interests of all—even including the hindmost !

G

Genesis : the originating or beginning of anything.

General Form of Value : the third style or mode of expressing value, as elucidated by Marx ; the " form of value " which immediately preceded the " money form of value."

Geometrically : pertaining to geometry or the measurement of surfaces.

Geometrical Progression : a rule in mathematics ; a progression by constant multiplication instead of by constant addition ; as 1, 2, 4, 8, 16, instead of 1, 2, 3, 4, 5.

Gold Standard : standard of price ; as the pound sterling, which is the standard measure of all English prices, from the farthing up to millions or billions of pounds.

Grand Industry : the great industry of to-day ; the developed industry (or machine production) of capitalism.

Great Florentine : the Italian poet Dante.

Guilds : corporations or associations of handicraftsmen or tradesmen, in mediæval towns, for the mutual protection of their common interests.

H

Handicrafts : any skilled kinds of work with the hands ; the separate crafts or skilled employments before the advent of manufacture.

Haute Finance : high finance.

Heterodox : non-orthodox ; contrary to accepted ideals or general opinions.

Hierarchy : any graded body of rulers ; for example, the hierarchy of a factory, with the boys and girls commanded by the adult operatives, who are under the control of gangers or foremen, who are controlled by overseers or departmental managers, who are under the control of a general manager, who is dominated by the managing director, who in his turn is subservient to the proprietary.

Historic : pertaining to any career or to any event or necessary part of any career—as the "historic mission of the working class," which is to emancipate mankind ; the character of any past events capable of serial presentation ; also, the character of any valid record of such events.

Historical : relating to any continuous true tale or story of past time ; the character of any detail or details of any past event or events.

Historical Materialism : that scientific method of historical statement, regarding humanity, which is primarily based upon the material conditions of human life instead of primarily upon man's consciousness ; as, for example, the reason why chattel-slavery was considered perfectly moral and proper (before it was considered immoral and wicked) is to be found in those material conditions and those material social relationships which together constituted chattel-slavery society.

History : any transpired career or the valid story of any transpired career ; also, a characteristic career—as the real history of the human race, which will commence only when the human race shall have ceased its degrading animal struggle for existence.

Hoarding : amassing value in the money form, either as an industrial or a distributive necessity or as a miser ; treasuring abstract wealth (money) instead of converting and consuming it either individually or productively.

Home Circulation : domestic circulation. (*See* DOMESTIC CIRCULATION.)

Human Power : labour-power.

Hybrid : a cross-bred or mongrel ; composed of mixed elements ; as a hybrid capitalist-labourer, that is, the small master who himself works alongside his wage-labourers.

Hypothesis : an imaginary position scientifically assumed as a basis for estimating the character and relations of matters in hand ; as, for instance, in economics, the supposition that capitalists do not cheat the labourers in the labour market, which is helpful and quite necessary in order to expose the factory exploitation of labourers in the production of surplus-value.

I

Ibidem : in the same place (a term used by writers instead of repeating long titles of books, etc., in quotations).

Ideal : the mental picture of anything ; the form of something in one's mind ; any thing or form conjured up by the imagination : also, the best conceivable ; a model of excellence.

Ideal Means of Purchase : one of the functions of money ; that money-function by means of which a promise of future payment effects the purchase of a commodity.

Ideal Measure of Value : one of the functions of money ; imaginary gold.

Ideal Use Value : an attribute of money, which means the thereby realizable use-values of all other commodities. The ideal use-value of gold (money) is any useful commodity which the gold can be converted into by exchange.

Ideological : pertaining to ideas or the science of ideas ; as the capitalist's ideological representative, the *bourgeois* economist.

Ideology : the science of ideas ; any system of ideas, true or not true—such as the ideology of the " vulgar economist," which is for muddling the masses.

Immanent: remaining inside; as the value measure which is "immanent in commodities," viz. the labour-time embodied in them.

Immemorial: reaching back into the unknown and unrecorded past.

Immigration: an inflowing; a moving into; as the immigration of labourers and capital into a flourishing or very profitable industry.

Impertinent: irrelevant; not bearing on the point at issue.

Inalienable Rights of Man: a fancy catch-cry of the Liberal school of "thought" to conserve the so-called "freedom, liberty and equality" where these, in fact, do not exist!

Incarnation: literally, embodied in flesh; fetishistically, the mental projection of the value (soul) of a commodity into the body of its equivalent.

Incommensurable: not measurable with the same standard; as milk and coal, which as use-values are incommensurable, the one being measurable by the pint, etc., and the other by the ton, etc.

Independent Form: the form of a thing mentally separated from the thing itself; as a man's "angel" in the Christian "hereafter"; or as the visible and tangible money shape of a commodity.

Indirectly: by some intermediary or go-between; through an intervening agency.

Individual Consumption: the consumption of means of subsistence; the consumption of wealth which is occasioned by any individual's living. (*See* PRODUCTIVE CONSUMPTION, or INDUSTRIAL CONSUMPTION.)

Individual Value: a commodity's actual cost in socially necessary labour, regardless of its "social value." (*See* SOCIAL VALUE.)

Industrial Capital: the standard form of capital; that portion of society's capital which is invested in the means of production and in labour-power for the purpose of obtaining the surplus-value.

Industrial Consumption: the consumption (of natural products or of raw materials, of auxiliary materials, plant, tools, implements, etc., and labour-power) which is necessary in any industrial process.

Industrial Reserve-Army : the unemployed, by means of which the capitalists are fortunate enough to more effectively dominate and exploit the employed and also to extend their industrial operations quickly.

Inherent : existing inseparably inside something else; as inherent value.

In re : in the case of; in the matter of.

In situ : in the position of original formation.

Instruments of Labour : anything that man uses to transfer his industrial activity to the subject of his labour; as a stone for cracking nuts; or as machinery for making machinery.

Instrumentum vocale : a chattel-slave, a serf, or a wage-slave; an instrument of labour which can talk.

Intellectual Powers of Production : the perceptions of how to utilize best the labour of production (not to be confused with the actual production or actual performance of the labour); in the capitalist system, the powers of perception as to how best to use or exploit the labourer (not to be confounded with the labour-power or labour of the labourer). Originally these intellectual powers were exercised by the actual producer; afterwards this intellectual exercise was separated from him and used upon him to dominate him; and thus the intellectual powers of production and labourers became transformed into deadly enemies.

Intensive : with emphasized force; relating to the severity or degree of any function; as the measure of strenuous effort performed by a given amount of labour-power in a given time, or the degree of capitalistic exploitation of so many labourers in so many hours. Opposed to "extensive." (*See* EXTENSIVE.)

Interest : the surplus-value of usury; that part of the surplus-value which is paid for using moneylender's capital; payment for the use of borrowed money.

Inter se : amongst themselves.

Insterstices : spaces between; as the market spaces, in older times, between different adjacent communities.

Intrinsic : inherent; residing inside something else; as the intrinsic value of a commodity. "Although invisible, the value of iron, linen and corn has actual existence in these very articles" (*Capital*, Chapter III).

Invariable : constant ; a magnitude that does not change.

Inverse : opposite, or upside down.

Inverse Ratio : an opposite ratio ; as $\frac{100}{1}$, which is a ratio the inverse of $\frac{1}{100}$.

Inversely Proportional : proportionally opposite ; for example, A, which is $\frac{9}{10}$ of something else, will be inversely expressed as a proportion if we say that the "something else" is $\frac{10}{9}$ of A.

Inversion : change of order, sequence, importance or character ; as the relation between labourer and means of production in the simple labour-process, which becomes inverted in the capitalistic labour-process (in the one he designedly uses the means of production ; in the other the means of production designedly absorb his consumed labour-power).

Inverted : reversed in order, or turned upside down ; as the Extended Form of Value, when inverted, becomes the General Form of Value.

Iota : the smallest particle ; derived from the Greek alphabet, in which iota (or the letter " i ") is the smallest character or sign.

Iterim Crispinus : again the martyr !

J

Jeremiad : a sorrowful tale ; a tale of woe.

Jeu d'esprit : a display of wit or fancy.

Jobagie : extra *corvée ;* extra serf-labour exacted from Wallachian peasants.

K

Kalos Kagathos : a nobleman ; a member of the ancient Greek ruling class, or " best."

Kameral : pertaining to a room or prison, therefore exclusive and restricted.

Knell : a death bell ; an unmistakable sign of the end of something.

L

Labour : the industrial expenditure of labour-power ; the productive output of the labourer's energy or bodily force ; the labourer's activity during the consumption of his labour-power.

Labour-Power : the ability or strength (in brain, eyes, nerves,

muscles, bones, etc.) by which a human being is qualified to labour.

Labour-Time : the inner and non-manifesting measure of a commodity's value ; the rational measure of value which is irrationally translated into mass of gold.

Law : a regular happening ; a uniform occurrence under given conditions ; the certainty of a something always happening under similar circumstances ; as the " law of value," which value always means the labour of society that a commodity is worth to produce.

Lazarus Layers : lowest layers of society ; poverty-stricken unemployed ; beggars ; people without homes who live by odd jobs or by bits and scraps (leavings) from other people's tables.

Let : to sell the use of anything ; as to let a house or a farm, etc.

Liberal : free from the " narrowness and bigotry " which would cramp or prevent the " progress " of capitalist development.

Liberalism : the political principles of British capitalism in the nineteenth century, which were very naturally what Marx calls " so full of consideration for ' capital ' " ; " liberalism " was propaganda apparently for liberty of the masses, but in reality it was only for liberty of capital and of " progressive " capitalist exploitation of the working class.

Life Process of Capital : that expanding or self-multiplying process of a capital-value which consists of consuming or eating up the wage-worker's labour-power.

Living Labour : the actual expending of labour-power in industry ; the actual embodying of labour into the labour-product ; opposed to dead labour (value), or labour that has already been embodied. (*See* DEAD LABOUR.)

Livre : an old French coin, equal to 9½d.

Locum tenens : one who functions or acts in the place of someone else.

Locus standi : standing-place.

Luddite : the name of a movement in the early part of the nineteenth century ; it was characterized by the destruction or damaging of machinery which had thrown men out of work into destitution.

Lycurgus : the ancient law-maker of Sparta, noted for his severity and inexorable rigour.

M

Magna Charta : the " Great Charter " (the recognition of which was exacted by the English nobles from King John) which provided for the liberties of the English Church, aristocracy, and freemen (all but " slaves and bondsmen ") ; by extended application, any established basis of civil rights and liberty of the person.

Mandarin : an official ; one who speaks as inspired by authority.

Manifestation : a making known to the perception or to the understanding ; as the manifestation of a commodity's value by the perceptible body of an equivalent.

Manœuvre : a piece of strategy ; a deceptive scheme or trick.

Manufacture : to make by hand, socially, in the co-operative division of labour ; a mode of production peculiar to the industrial establishments of capitalism in its early stages.

Maritornes : bad woman ; a servant wench at a roadside inn (vulgar, ugly, stunted), whom Don Quixote mistakes for a lord's daughter, and whose hair (rough as a horse's tail) he mistakes for silken threads of the finest gold !

Market : any place where the exchange, or the sale and purchase, of commodities is carried on ; also, any demand for commodities, as the " European market " for Australian products.

Mass : bulk, volume ; magnitude ; as the mass of surplus-value in commodities, or as the mass of commodities in a given market.

Materialism : that mode of thought which regards the things of our life physically instead of metaphysically, or which regards events as the effects of efficient physical causes instead of as the effects of any spiritual bidding.

Materialist Conception of History : a scientific pronouncement (by Karl Marx and Frederick Engels) to the effect that the different movements of history at different times are explainable by the different economic structures of society ; which different economic structures of society are, in turn, explainable by the different degrees of industrial development, or different stages in the development of society's material powers of production. (*See* ECONOMIC STRUCTURE.)

Materialization : being endowed with a material form ; the being invested with a material body and rendered perceptible

to any of the senses ; as the materialization of abstract labour (society's generality of labour) in gold.

Materialized : embodied into some material ; as the expended labour-power or labour which is materialized in industrial products.

Maximum : the greatest possible degree or amount of anything under the given conditions. (*See* MINIMUM.)

Mean : the point midway between two extremes ; the intermediate or average.

Means of Exchange : a commodity ; a product which is useless to the owner, but which is yet useful to someone else.

Means of Payment : a function of money, by means of which the obligations previously incurred may be settled.

Means of Production : all the things necessary to man for carrying on any industrial production ; the implements of labour (tools, utensils, machines, buildings, etc.), the subject of labour (such as raw materials, or such as natural virgin products), and auxiliary materials (such as oils, chemicals, dyes, steam, etc.).

Means of Subsistence : the things upon which a human being lives or subsists ; the things which are consumed or used up and destroyed by one's living.

Measure of Value : the fundamental function of money, from which function all the other functions of money spring either directly or indirectly ; that function by which money measures all commodities.

Mechanism : the structure of any system or of any mechanical contrivance ; as the mechanism of manufacture (which consists of differently acting persons connected as a whole), or as the mechanism of a factory (which consists of machinery).

Mediæval : pertaining to the Middle Ages. (*See* MIDDLE AGES.)

Medium : sometimes used in the sense of " a means " or " an instrument " ; as " the medium of payment " (*Capital*, p. 118 ; Kerr ed., p. 158) ; or as the concrete labour of an equivalent which is " the medium for expressing abstract " labour (*Capital*, p. 27 ; Kerr ed., p. 67).

Medium of Circulation : a go-between in the process of commodity circulation (in contradiction to barter) ; in commodity circulation either money or a " general equivalent " functions as the medium of the circulation.

Membra disjecta : the scattered parts of anything.

Menenius Agrippa : one of the characters in Shakespeare's Roman play, *Coriolanus*.

Mercantilists : a school of economists who considered that the wealth of a country consists of its quantity of gold and silver, and who therefore sought to encourage, to the greatest possible extent, the exportation of commodities and the importation of precious metals.

Merchant's Capital : the values operated with by merchants in the process of commodity circulation ; a derivative form of capital. (Although merchant's capital preceded standard capital, yet it has its social sanction only by its secondary status, or its accessory and subservient status, with regard to standard capital, i.e. industrial capital.)

Metamorphosis of Commodities : the changing of commodities' forms ; as the conversion of boots into money, or the conversion of money into Bibles or brandy.

Metaphysical : transcendental ; spiritual ; above and beyond mere physical nature or material reality ; as the metaphysical subtleties of the commodity.

Métayer : one who farms another man's land on a half-owning and profit-sharing basis ; a " half-farmer."

Metempsychosis : a transition from body to body ; a transmigration from one body to another body ; as the metempsychosis of the value in means of production, which flits from these bodies (raw materials, implements, etc.) into the bodies of the new commodities.

Middle Ages : the time between the fall of the Roman Empire and the fall of feudalism—roughly about a thousand years, viz. from the fifth century to the fifteenth century.

Middle Class : the *bourgeois* or town class, which developed as a separating wedge between the lords of the manor or feudal masters and the working class ; the capitalist class which has usurped the rôle (of rulers over the working class) previously monopolized by the landlords, by developing, as a middle class, between the working class and the old master class.

Middlemen : men who act as intermediary between principals ; as the " plundering parasites " between workpeople and employer in the so-called " domestic industries," whose gain

comes from the difference between what the capitalist pays and what the labourer receives ; or as the sub-letting person, who reaps the difference between what rent is paid by working-class tenants and the net rent received by the landlords. (Not to be confused with the " middle class.")

Minimum : the smallest possible amount or degree of anything in a given condition or relationship ; as the minimum amount of capital upon which a person may start business, which is to-day much greater than was the case two centuries ago.

Minutiæ : little details, or small particulars.

Modus vivendi : a mode of being ; a way of existing.

Momenta : the plural of momentum.

Momentum : impetus ; a motion of anything, generally imparted to it by something else, which carries it along and makes it more or less difficult to stop.

Monetary : pertaining to money.

Money : the fully-developed " equivalent form of value " ; the last stage in the evolution of value-form or value-expression, which evolution was demonstrated by Marx to consist of the four series, viz. Elementary equivalent, Extended equivalent, General equivalent, and Money equivalent. (Subsequent to this evolution, there supervened the further evolution of all the different other functions of money.)

Money Commodity : the commodity (as silver or gold) which is selected from amongst all other commodities to function in the capacity of money or universal equivalent.

Money Form of Value : the manifesting form now commonly assumed by the socially-necessary labour (value) embodied in a commodity, whenever it expresses itself ; lumps or grains of gold which function as translated abstract-labour-time.

Money of Account : one of the functions of money, by means of which function any value's quantity may be computed or accounted ; as the valuable wealth of a whole community may be estimated, or accounted, at so many hundred or thousand millions.

Monster : (1) an abnormal or unnatural phenomenon ; any organized form made up of inconsistent or unnatural parts, whether hideous or not ; as the moving machine monster which fills a factory and drains the labourer's energy ; (2) any-

thing which is huge or extraordinarily big; as the monster scissors which cut sheets of iron like sheets of paper.

Moral Element: something which appeals to the mind or understanding; as the moral element which enters into the determination of the value of labour-power.

Mutatis mutandis: making the necessary changes; things, facts, or persons being changed for others, as required by the case in hand.

Myriads: Immense numbers; innumerable hosts.

N

Naïve: simple; frank; candid; artless; witless.

Naïveté: simplicity; artlessness; the character or condition of not seeing a lot of circumstances.

National Debts: the sold or pledged condition of the State, by which the community as a whole figures as debtor and pays out interest to holders of consols and other scrip.

National Wealth: a fanciful fiction; a figment of the political imagination. "The only part of the so-called national wealth that actually enters into the collective possessions of modern peoples is—their national debt" (*Capital*, Chapter XXXI).

Natural Price: an economic term of Adam Smith's; the average price of anything, which is assumed to correspond to the cost of production (including the average profits, rent, interest, etc., incidental thereto).

Natural Selection: that natural filtering of life forms through the destructive conditions of their existence, which results in the survival of those individual forms that are hardest to kill.

Necessaries of Life: that wealth without which the working class could not exist and work; those things consumed by a labourer's living.

Necessary Labour: that labour which produces the labouring-class's necessaries of life, or produces the value thereof.

Necessary Labour-Time: that part of the working day during which the labourer produces the value of his necessaries of life.

Necessary Price: an economic term of the Physiocrats which has the same significance as the "natural price" of Adam Smith; the average price, which is supposed (wrongly) to tally with the value, of a commodity. (*See* NATURAL PRICE.)

Negotiable : that may be exchanged away or expended in the circulation ; that may be operated with as though it were money.

Ne plus ultra : that cannot be surpassed ; the perfection end ; that which has nothing beyond it.

Neuer : old English word for " never."

Nexus rerum : the connection of things ; as the money which connects a thing sold with the other thing thereby bought.

Nomad Races : peoples who wander from place to place ; races who roam about and have no fixed abode.

Nominal : pertaining to the name of a thing ; in name only.

Nominal Wage : the value of labour-power transformed into its name form ; as £2 worth of labour-power converted into £2 of actual money.

Non olet : money does not stink ; i.e. money does not reveal to the senses what commodity it is the changed form of.

Normal : according to the established rule ; the usual thing ; the recognized standard or type of anything.

Nota bene : note well ; take special notice.

Numerator : the upper figure in any fraction which tells us how many of the parts nominated by the denominator are denoted ; as the 3 in $\frac{3}{4}$, which tells us we are to understand three of the fourths indicated by the lower figure or denominator ; also, the words or letters in the upper part of an algebraical fraction, as $\frac{\text{daily value of labour-power}}{\text{working day}}$, in which the upper part may represent £1 and the lower part may represent a product of £4. (*See* DENOMINATOR.)

O

Objective : having the character of an existing thing ; anything regarded as apart from self ; anything having real and perceptible being or existence ; as the invisible and intangible value in a commodity when it assumes " objective existence," or visible and tangible objective reality as the material body of another commodity.

Objective Factor : a factor which is a material thing or things of some sort ; as the objective factor of production (the " constant capital "), or as the things which function as the

means of production. Opposed to "subjective factor." (*See* SUBJECTIVE FACTOR.)

Object of Labour : same as "subject of labour" (which see).

Obstinacy : unreasoning stubbornness; unyielding firmness; difficult to control or keep under; as the obstinacy of the working class in strikes, which is capitalistically countered by the "blessings" of applied science.

Opium Wars : the wars waged by Great Britain against China to enforce the opium trade upon the Chinese people; which detail wars constitute a part of the great commercial war of Europe carried on through the seventeenth century and, on and off, ever since.

Organic Composition of Capital : the proportional division of a capital value into "constant capital" and "variable capital," or into so much value as means of production and so much value as labour-power; as 80 per cent. constant capital and 20 per cent. variable capital, or any other proportional division. (The highest organic composition of capital is that with the greatest proportion of the capital-value invested in means of production and the least proportion of it invested in labour-power.)

Organic Relation : the relation of any part of an organism or organization with some other part; as the organic co-operative relation between a wheelwright and a coach-painter, who are both included in the organized industrial group which manufactures a coach. (Such an organized group is different to a simple co-operative group in which everybody performs the same kind of activity; in organic groups the co-operation is made up of different kinds of activity.)

Oscillation : a swinging to and fro; e.g. the oscillation of capitalistic demand for labour-power, which demand swings to and fro between the extremes of full working time on the one hand, and the so-called "unemployed problem" on the other hand.

P

Paid Labour : capitalist slang, which can mean only paid labour-power; a slang term scientifically applied by Marx to that quantity of labour producing the wages-value; necessary labour. (*See* NECESSARY LABOUR and UNPAID LABOUR.)

Palliative : an alleviation ; a mitigation or lessening ; a temporary relief.

Panacea : a cure-all ; a universal remedy ; as the pretentious prescription of Malthus for all working-class troubles !

Papyrus : a marshy plant in Egypt, from which the first paper or writing material (scrolls for writing) was produced.

Paradox : a seeming impossibility which is yet true ; a fact which seems to contradict the nature of its own case ; as the paradox of machinery (which lessens labour) resulting in the greater exploitation of the working class.

Pari passu : with equal pace or proportion ; as, with more and more labour-saving inventions, the working class is, *pari passu*, more and more completely worked.

Parlance : mode of language ; manner or style of speech.

Paroxysm : convulsion ; fit or spasm ; as the feverish outbursts of capitalist over-production.

Parvenus : people of small merit bumped into prominence ; upstarts ; mushroom aristocrats.

Passive : inactive, but acted upon ; receiving the effect of any action without contributing thereto ; as the passive equivalent body of another commodity, in which the value of a commodity expresses itself.

Pathology : the knowledge or science of diseases ; as the special and peculiar pathology developed by capitalist industry.

Patria potestas : the recognized powers of the father ; home authority.

Patriarchal : pertaining to that human group governed by the domestic old man or patriarch.

Patronus : protector or defender.

Pay : to hand over money, in its functional capacity of " means of payment," in settlement of some past or present claim ; loosely or figuratively, any obligatory sacrifice—as the working class " pay " for the riches and luxury of the well-to-do by their life-long drudgery. (Such figurative uses of words in economic works ought to be stopped. The resulting ambiguities are occasionally a great scientific nuisance.)

Payment of Labour : capitalistic slang, which can only mean " payment for labour-power."

Peasant : an agricultural workman ; a labourer on the land.

Peasantry : the people who produced their own livings on the land.

Peculium : in Roman law the property allowed to a slave or child, somewhat as the property which to-day is allowed to the working class for its existence, or somewhat as the harness which " belongs " to one horse because it would not properly fit another horse.

Peonage : debtor slavery ; the condition of working for a creditor in discharge of a debt, the complete discharge of which is generally rendered quite hopeless.

Periphery : the outside reaches of anything ; the outer surface.

Perpetuum mobile : perpetual motion.

Per se : by itself ; in itself alone.

Personnel : the persons in any group, or in any process.

Petit Bourgeois : the small middle class ; the small capitalists ; as the small manufacturers and the small shopkeepers.

Phenomena : the plural of phenomenon.

Phenomenon : appearance ; the form or mode in which anything presents itself to us ; as value's phenomenal form, which is another commodity's body.

Philistine : a narrow-minded, ignorant person ; a man without educational culture ; a non-university man of the middle class, blindly devoted to the vulgar ideas of his time, especially such a one given to " money-making."

Phlebotomy : the practice of bleeding a sick person ; blood-letting ; an old treatment for general diseases.

Physical Form : same as the next following.

Physical or Natural Form : a commodity's own bodily form (in contradistinction to its value-form, i.e. to its money form, or to any other of its expression- or conversion-forms).

Physiocrats : the followers of Dr. Quesnay, a French economist of the eighteenth century. They held that land and its manufactured output were the only wealth, and that money was only a falsity. They also advocated Free Trade and liberty of the person.

Physiological : pertaining to the physique of biological organisms or the constitution of living bodies.

Piece-Wages : the value of labour-power translated into the prices paid for tasks, in which it falsely appears as though the labour of the task were actually paid for. " Wages by the piece are nothing else than a converted form of wages by time,

just as wages by time are a converted form of the value or price of labour-power" (*Capital*, Chapter XXI).

Pied Piper of Hamelin : a legendary character of the German town, Hamelin, who, having been cheated of payment for charming the rats into the river by his piping, pipes again and charms away all the children excepting one little cripple.

Pindar : the chief poet of ancient Greece ; a term satirically applied by Marx to Dr. Ure, whom he calls the Pindar of machine industry.

Pindaric Dithyrambus : a wildly passionate and beautifully poetic outburst.

Pis aller : a last resort ; the last chance.

Plebeian : one of the "lower order" or common people of ancient Rome, in contrast to the "upper order" (the ruling class or patricians).

Pluralis majestatis : the word "we," used by a person when speaking in a high-handed manner.

Plus : also ; being increased by ; having additionally ; as original value plus the surplus-value.

Polarization : the act of polarizing or giving polarity to.

Polarity : the state of having separate and opposite extremities, which are the mutually attractive and yet repulsive complements or counterparts of each other.

Poles : the opposite extremities of anything ; as the North and South Poles of the earth ; as the positive and negative poles of a magnet ; as the relative pole and the equivalent pole of the value-form ; or as the buying side and the selling side of a sale-purchase.

Polisseur du boîte : watch-case polisher.

Political : appertaining to a State or to the government of modern society, whose government is based upon territory and property.

Political Economy : the production and distribution of wealth in political society ; also, as a science, the intelligent comprehension and presentation of such production and distribution.

Post festum : after the feast ; after all is past.

Potencies : powers.

Potentates : people with great powers ; rulers ; governors.

Potential : possible ; existing as a possibility ; also, having force ; powerful.

Potosi : a town situated in Bolivia, South America ; one of the richest silver-mining towns in that continent.

Power Looms : machines for weaving cloth or cotton goods and driven by engine-power.

Prebendary : recipient of a church stipend or payment.

Pre-capitalistic : belonging to any time prior to the present epoch, in which present epoch the life of society is based upon the industrial system of expanding capital-value.

Prehistoric : preceding any history, either history as a career or as a record of such career ; as the prehistoric stage of capital (meaning a preliminary stage necessary for the inauguration and subsequent development of capital, or a stage necessarily preceding the career of capitalism).

Prejudice : a prepossession of the mind ; a previously formed opinion or judgment.

Premature : before the proper time ; becoming or happening before being due ; too soon ; as the premature decay of over-worked labourers.

Prerogatives : peculiar rights and privileges ; rights exercised without exterior control.

Press-gang : a gang of marauders (generally governmental) who seize upon persons, like captured game, for enforced service into which the captives are pressed.

Price : the money expression of a value ; the fully developed exchange-value or value-form. (In one place in *Capital*—viz. p. 683, S.S. ed., or p. 730, Kerr ed.—the word "price" is used as a figure of speech, meaning "sacrifice," a use of the word which is out of place in economics.)

Price Form : money as the appearance form of a commodity's value ; or money as the form of a converted commodity.

Primitive : earliest ; the early stage of anything ; original ; pertaining to the beginning.

Primitive Accumulation : the theoretical accumulation of a class's own products, by which that class is fancifully supposed to have become the capitalist class. (Marx has shown that in reality it is the accumulation of stolen lands and other booty on one hand, and the accumulation of dispossessed labourers in manufacturing towns on the other hand.)

Primitive Labour : the theoretically implied primitive output, or performance, of men who now figure as capitalists.

Private : exclusive ; pertaining to or belonging to an individual or to a comparatively few individuals ; as " I wish (or we wish) to be private " ; or as " this is a private firm or company," or " that is a private corporation." Opposed to common, communal, tribal, public, governmental, military, national, municipal, State, etc. (Virginia was begun by private companies.)

Private Property : exclusive property ; the exclusive property of an individual or of a comparatively few individuals ; as the property of private companies, private concerns, private corporations, private trusts, private enterprises, private railways, private trams, private industries, private bakeries, private brickworks, private monopolies, etc. Opposed to the property of State concerns, municipal corporations, harbour trusts, State enterprises, governmental railways, public trams, State or municipal industries, State bakeries, State brickworks, governmental monopolies, etc. Private property is a social institution based originally upon the recognized right of persons to possess their own private or exclusive products, which right has now become inverted into the strange " right " to possess the industrial products of other people !

Production : the industrial process of modifying the natural forms of things so as to suit human uses ; the fabricating or making of use-values.

Productive Consumption : that consumption of means of production (such as raw materials and implements, etc.) which is necessary in production processes ; the destruction of existing things which unavoidably accompanies the production of new things.

Productiveness of Labour : the degree to which a quantity of labour produces use-values. The higher or lower productiveness of labour corresponds to the more or less of use-values turned out by a certain amount of the labour.

Productivity of Labour : the same as " productiveness of labour."

Profane : common ; worldly ; not purified.

Profit : a division of surplus-value. (Surplus-value is reckoned upon the wages-value expended in its production, but profit is reckoned upon the whole of the invested capital. By supposing the surplus-value to be not divided, so that the surplus-

value be the same mass as the profit, we can see what a difference is caused by the different way of reckoning. If a surplus-value of 200 be yielded by the wages-value of 100, this is a surplus-value of 200 per cent. But the same surplus-value of 200, reckoned upon the total of invested capital, say 4,000, would thus be reckoned as the profit, and would be only 5 per cent.)

Proletarian : a person belonging to the proletariat.

Proletariat : the dispossessed working class, in the special sense of having been dispossessed of the material means of producing wealth ; the alienated masses of the people, having no means of production—no land, no implements, no raw materials, etc.—constituting a class that is therefore at the mercy of that other class which has taken upon itself to possess these things.

Prometheus : a Greek legendary character who made the human race masters over Nature by stealing for them the fire of heaven, for which theft Zeus fastened him to a mountain rock to be torn by eagles.

Property : anything appropriated or acquired ; anything possessed in any way : also, any attribute or character of anything ; as the natural properties of a commodity, viz. weight, size, colour, hardness, softness, taste, etc.

Proportional : having the character of a comparative mass, either as a whole or part of a whole ; being a quantity in relation to some other quantity ; having a relative magnitude.

Proportional Magnitude : one magnitude in relation or in comparison with another magnitude ; the relative dimension of one quantity compared with another quantity.

Propria persona : the proper part played in a given relation ; as with the desired body of another commodity in exchange whose proper part is to play at being value.

Pro-slavery Rebellion : any offensive resistance against authority or against established government to inaugurate or to conserve some form of slavery.

Pro tanto : so far as it goes ; to the extent of its mass.

Protection : a political policy, which functions by artificially raising the prices of commodities for the purpose of hastening the development of local capitalism ; as Marx has it, "an artificial means of manufacturing manufacturers."

Proximate Effect : an immediate effect ; the first effect of some direct cause ; an effect next in the order of happening to the cause of it.

Psychological : mental ; appertaining to the mind or to the phenomena of the mind.

Public Bonds : interest-bearing certificates of public debt.

Puritans : a sect of English Protestants characterized by rigid economy in religious matters, by simplicity of worship, and by a dislike of all expensive pomp and ritual.

Purlieus : surroundings ; the immediate vicinity around any place.

Q

Quâ : in the capacity of ; by virtue of being.

Qualitative : having regard to the kind of substance or matter in anything, in contradistinction to its quantity ; as value's qualitative aspect—which is its being constituted of social human labour, whilst its quantitative aspect is its being constituted of social labour-time.

Qualitative Equality : equality in kind of substance ; as the equally valid social labour of tailoring and weaving—or, what is the same thing, equally good embodied labour or equally good value. (Sometimes called " Qualitative Equivalence.")

Qualitative Changes : changes in the distinguishing character of anything ; changes by means of which one kind or sort of thing becomes another kind or sort ; as cow-hide becomes leather, as oatmeal becomes porridge, or as human industry becomes capitalist industry.

Quality : the character, nature, or constitution of anything ; a thing's kind or sort ; one of those elements which, taken together, amount to a thing's composition (as the weight, colour, durability, toughness, malleability, lustre, hardness, etc., which qualities, all added together, give us the thing called " iron ").

Quand même : nevertheless ; despite the fact.

Quantitative : relating to the quantity or magnitude of anything in contradistinction to its kind or quality ; as " so much " of the thing, or such and such " a measure " of it.

Quantitative Differences : differences in magnitude or measurement.

Quantitative Equivalence : similarity in magnitude or measurement.

Quantity : magnitude ; the condition of being " so much."

Quantum : a certain quantity ; a measurable amount or magnitude.

Quantum sufficit : a magnitude which is sufficient.

Quinquennial : of a period of five years.

Quondam : once was ; used to be.

Quotient : the result of dividing one quantity or number by another quantity or number ; as the result of dividing 6 by 2, which is the quotient " 3."

R

Radius : any straight line from the centre of a circle to any point on the outside.

Rarefaction : a thinning out, giving a lower degree of density.

Rate of Profit : the amount of gain accruing to an invested capital compared with the total quantity of such capital ; the mass of profit in comparison with the total amount of invested capital ; as so much per cent. or so much for each hundred of the invested capital.

Rate of Surplus-Value : the rate of increase of the variable part of capital ; the relative extent to which capital value invested in labour-power expands ; the growth of that capital value invested as wages ; for example, if £100 be invested in labour-power, and this labour-power produces £200 worth of new value, the increase will be as much as the investment in wages, and the rate of surplus-value will therefore be 100 per cent.

Ratio : the comparison of one quantity with another quantity of the same kind, generally expressed by putting the first quantity over the other in the form of a fraction ; as the ratio of 1 to 2, which is as 1 over 2, or ½ (one-half).

Rational : sensible ; reasonable ; being conformable or according to reason.

Raw Materials : unfinished labour products ; materials which are the products of previous labour, and which are necessary for converting into the material bodies of new commodities ; as flour which is necessary for making bread. (*See* SUBJECT OF LABOUR.)

Reaction : a movement or action responsive, in an opposite direction, to some previous movement or action.

Realize : to obtain, in a real and independent shape, the value of a commodity ; that is, to get possession of a hard, tangible, realistic form of that ghostly inwardness of the commodity called " value."

Realized : converted into cash ; also, converted as a possibility into an actual reality ; as the ideal use-value of money, converted into any one of thousands of different use-values for sale ; or as the labour of wage-workers which is realized by the capitalist (as embodied value).

Real Wage : the value of labour-power completely metamorphosed ; that is, transformed into its final forms of means of subsistence for the labourer.

Rectilinear : having the character of a straight line ; composed of straight lines.

Redundancy : the state of being in super-sufficient quantity ; the condition of being more than sufficient.

Reflex : having the nature of being an opposite likeness or reflection.

Reflux : a return stream ; a flowing back.

Reformation : the revolutionary movement of the sixteenth century which finally established Protestantism.

Reformed : improved in some way ; changed for the better in some feature ; being conducted under better methods ; as the " reformed Parliament," which more effectively administered to the interests of capitalists or the new ruling class.

Réglement organique : organized governmental regulation.

Relation : connection or comparison ; connection either as a comparison, a contact, an attachment of association, or as an attribute or belonging.

Relative : comparative ; the consideration of a thing in comparison with something else. (*See* ABSOLUTE.)

Relative Form : a form that is being compared to some other form.

Relative Magnitude : the dimensions or quantity of anything compared to the dimensions or quantity of something else.

Relative Surplus-Value : the product of converted " necessary labour " ; that is, the value produced in labour-time which has been converted into " surplus-labour-time " by increased productiveness of labour.

Relative Value : a value which is being compared with some other value.

Relay : a duplicating staff of labourers to relieve a tired staff ; a shift or change of labourers.

Rentier : anyone who lives upon the return from investments ; a stockholder ; an annuitant or " independent " person.

Rent in Kind : rent paid in a portion of the products from rented land.

Reproduction : the production of an equivalent ; as the reproduction of capital, by which the consumed capital is constantly replaced.

Résumé : a summary ; an abridged statement or re-statement.

Retainers : servants of some sort ; persons in the service of others, generally ranking above the common servants.

Réuines : joined together again ; re-united.

Revolution : a turning round ; an entire change, either of modes of production, modes of Government, modes of action, or modes of thought.

Rhomboidal : having the character of a rhomboid ; being a figure with four sides, the opposite sides of which are parallel, the corners of which, however, are not at right angles, or are not square.

S

Sabbatarian : one who professes a veneration for the Sabbath day.

Salto mortale : death jump ; said by Marx of a commodity when its value leaps out of it into the body of gold.

Sancho Panza : a ridiculous, ignorant fellow, the servile follower of the anachronistic and ridiculous Don Quixote.

Sangrado : a character in Le Sage's novel, *Gil Blas ;* a doctor who believed mostly in bleeding the patients.

Savoir faire : cunning ; wit ; management ; skill.

Science : the collected or accumulated knowledge, on any subject, classified and formulated into a rational presentation.

Secundum artem : according to some art.

Seigneurial : same as " Seignorial."

Seigniorage : a governmental charge to private persons for coining bullion.

Seignorial : pertaining to a manor or feudal estate.

Serf : a labourer attached to, and belonging to, an estate ; the characteristic labourer of feudal times.

Serial : following one after another in a succession.

Shibboleth : a word which the enemy Ephraimites could not pronounce properly, and which therefore detected them ; a distinguishing point in any political party's policy.

Sic : just so ; as written or printed.

Simple Circulation of Commodities : that condition of sales and purchases by which is effected nothing but the metamorphosis of commodities, or the conversion of commodities from their not-wanted forms to their desired forms ; that equitable exchange by which a £'s worth of commodity (the form of which is of no individual use to the owner) is changed into a £'s worth of something whose form is individually useful to the owner.

Simple Co-operation : the co-operation of individuals or individual groups, all doing the same kind of work together ; as a number of labourers together lifting a great weight, or as a number of similar glass-bottle-making groups in a bottle manufactory together producing the number of bottles daily turned out by the establishment.

Simple Form of Value : the same as "Elementary form of value."

Simple Reproduction : that theoretical degree of capitalist production in which the capitalist class is assumed to consume individually (*see* INDIVIDUAL CONSUMPTION) all the produced surplus-value, and in which the industrially consumed capital, and all the capitalist conditions and relationships, are assumed to be also exactly reproduced, so that the capitalist process proceeds again upon exactly the same capital-value scale.

Sinecurist : one whose income is for practically no labour.

Sine quâ non : an indispensable condition ; that without which the thing under consideration could not exist or function.

Sisyphus : a Greek legendary character who was condemned for ever to roll a stone repeatedly up a mountain-side, only for it ever to roll down again.

Skilled Labour : the industrial exercise of that labour-power which has required the previous labour of special training to produce.

Slave : a person owned as property by others ; a person who is compelled to work for the benefit or gain of another person.

Slavery : the condition of being a slave, or of being compelled to labour for the advantage or gain of a master.

Slip : the wet clay worked up in potteries ready for forming into the various pots, etc.

Sliver : a drawn thickness of fibres ; a strand of wool or cotton for twisting into a thread.

Socialization : giving a social character to ; as the socialization of labour in capitalism.

Socialized : made social in character ; converted into an attribute, a concern, or a phenomenon, of society ; as the socialized handicrafts which constitute some branch of manufacture.

Social Use-Values : commodities ; use-values which are such only for their non-owners before exchange.

Social Wealth : the wealth produced by society's industry ; the so-called " Wealth of Nations " ; the results of society's labour, produced for circulation in society.

Social Value : the average value in society of any article, which social value is the real value, and is generally different to the article's individual value. (*See* INDIVIDUAL VALUE.)

Species : a sort ; a kind ; a class.

Speculate : to form a vision (speculum) of anything in the mind ; to buy up anything with a view to gaining through subsequent sale at higher prices.

Speculation : the act of speculating ; the formation of profit in the mind ; dealing in " futures " ; the purchase of anything in anticipation of higher prices.

Sphere : province ; field of operations ; scene of action, existence, or influence.

Sphere of Exchange : that part of capital's career where the industrially extruded commodities are metamorphosed or converted into money, and money is converted into commodities ; that scene of commercial operations where buying and selling take place, or where barter is in process.

Sphere of Production : any single industry ; as the tailoring industry, the boot industry, the building industry, etc.

Spirituel : intelligent and witty.

Spontaneous : originating by itself ; appearing to arise without any sufficient cause.

Sporadic : occurring occasionally and irregularly.

Stagnation : the state of not flowing or only flowing very slowly ; said to be upon industry and business when they are dull and sluggish.

Standard : measure ; model ; gauge ; criterion ; test ; unit ; established as a recognized and authoritative rule ; any type, model, example, or authority for comparison ; any kind of measure established by general custom or usage.

Standard Capital : industrial capital ; that model of capital which gives the social sanction to merchant's capital, money-lender's capital, landlord's capital, etc. ; that example of capital which forms the basis of the capitalistic system.

Standard Form of Capital : same as " standard capital."

Standard of Money : same as " standard of price."

Standard of Price : one of the functions of money ; that function of money by means of which all prices are measured and compared with each other.

Standard of Value : same as " measure of value."

Status : standing ; condition of being ; mode of existence in relation to any special circumstances ; as the wage-slave status of labourers in capitalism.

St. Martin's Summer : a few weeks of very mild English weather before Christmas, which occurs nearly every year.

St. Simonism : a form of Utopian Socialism of the early part of the nineteenth century, the central motto of which was, " From each according to his capacity, and to each according to his needs."

Subjective : connected with the ego or self ; denoting that which proceeds from the thinking subject ; opposed to " objective." (*See* OBJECTIVE.)

Subjective Factor : the conscious operator in any function ; as the subjective factor in the labour-process, viz. the labourer.

Subject of Labour : any object which is belaboured or laboured upon in industry ; anything, either the pure product of Nature, or the product of previous labour (raw material), which is being modified by labour into a new product.

Subjugation : the state of being subject to domination, or of being conquered and subservient.

Substance of Value : a non-material substance (somewhat as the " substance " of a discourse or lecture) embodied in commodi-

ties; the matter or reality which constitutes value; the general or abstract labour of society incorporated in the social things called "commodities."

Succedaneum: a substitute; anything which is used instead of some other thing.

Supernumeraries: extra; superfluous or unnecessary persons.

Supply and Demand: the relation between the quantity of any commodity offered for sale or exchange in a market and the quantity required by the buyers. (The conditions of Supply and Demand are quaintly supposed to regulate prices; but it would be just as reasonable to say that prices regulate the conditions of Supply and Demand. As a matter of fact, the varying Supply-and-Demand conditions only disturb the level of prices—which is quite the opposite of regulating them.)

Surplus-Labour: labour performed by the labourer in addition to the labour of producing the value of his living.

Surplus-Value: value produced by the labourer over and above the value of his living or over and above the value of his wages.

Symbols of Value: bank notes; a representation, an indication or a sign of value; symbolic money, i.e. paper money.

Synthetical: of the nature of a synthesis; pertaining to the assembling together of different things or of the different parts of anything.

T

Tableau économique: the meritorious attempt of the Physiocrats to depict the yearly distribution of wealth in capitalist society as effected by capitalist circulation.

Taxes: governmental imposts which augment the prices of commodities; a means whereby the capitalist class further victimizes the exploited working class, increasing the prices of necessaries, thus reducing the labourers' real wages (in the absence of an equivalent increase in money wages), and, of course, reducing the labourers' standard of living; an easy means of expropriating the masses, largely used in the establishment of the capitalist system.

Technical Composition of Capital: the proportional relations between the masses, respectively, of means of production and

of labour-power, used as the capital of any industrial concern. (With the development of a higher technical composition of capital, the mass of means of production relatively increases and the mass of labour-power relatively decreases.)

Technologically : according to the technology ; corresponding to all the operating details and particulars of any industrial process.

Technology : the science of the practical operating details of industry ; such as the movements of machinery, or the parts concerned in the movements, such as the detail movements of the operators, or such as the nature and consistency of the different materials operated with and operated upon.

Tempered Bagnos : tempered convict prisons ; little different to convict prisons.

Terminus medius : an end in the middle.

Teste : witness ; bear witness.

Theocrat : a divine ruler of society ; one who rules in the name of some deity ; a transition form of figure-head between the tribal chiefs and monarchs.

Theorum : a theory ; a proposition for scientific treatment, or for scientific inquiry as to its validity or falsity.

Throstle : a machine for twisting woollen or cotton fibres into a thread.

Throstle Spindle : the spindles (rods or long pins) for twisting and winding yarn on a throstle machine.

Time-Wages : the form in which the converted value of labour-power presents itself, in the sale of labour-power for the necessarily restricted and definite periods—by the day, by the week, etc.

Token Money : money which betokens more value than it carries ; as the silver and copper coins of English money, shillings, pence, etc.

Total or Expanded Form of Value : the Extended form of value ; the repeated expression of a value, in the totality of other commodities' bodies. (*See* EXPANDED FORM OF VALUE.)

Transform : to change the form of anything ; as in circulation, where the commodity is transformed into money, or the money is transformed into another commodity.

Transmigration : any passing over from one body to another ; as the value which passes over from the means of production

into the new commodities (in the labour-process), or as a capital value which passes from money through the means of production into the new commodities and back round to money again.

Transmitted Value : value that has been passed over from one body to another ; as, for example, the value of industrial machinery, which disappears from the body of the machinery, in proportion to the depreciation, and reappears in the body of a new commodity as a part of its total value, having been transmitted there by industry.

Transmogrify : to " muck up " or make a mess of ; to present anything so that it will be wrongly understood.

Transmutation : transformation ; a change in the substance or form of anything ; as a commodity which, by the social process of exchange, is transmuted into the very different substance and form of money or of another commodity.

Transmuted : changed in substance or form ; as that part of the labourers' product which is transmuted into the money-wages subsequently paid to him.

Transubstantiation : the conversion of the substance of one form into the substance of some other form ; as the conversion of the substance of a commodity into the substance of money, or *vice versa*.

Tutti quanti : all that sort.

U

Ultimate : last ; final : also, farthest, most extreme ; in the last analytical degree ; a fundamental or primary cause or governing agency ; as the value of commodities, which is the ultimate governor of the prices.

Ultima Thule : the farthest object aimed at ; the farthest end and aim.

Unctuous : being like salve ; oily ; greasy ; making a pretence of emotion ; having the appearance of being too kind ; oily-tongued.

Unit : the least whole and representative part of any class of things ; a single body representative of some whole species ; as the unit of capitalist wealth, which is the commodity.

Universal Equivalent : one of the functions of money ; the equivalent of the whole world of commodities ; money, through its having superseded all the previous " general equivalents."

Unpaid Labour : a term derived by Marx from the capitalistic slang term " paid labour " ; the surplus-labour which produces the surplus-value. (*See* PAID LABOUR and SURPLUS-LABOUR.)

Unskilled Labour : the expenditure of that labour-power which exists in any average labourer independently of any special development by apprenticeship or training, etc.

Upwards of : more than ; as " upwards of 300," i.e. more than 300.

Urban : pertaining to a town or city ; situated in or belonging to a town ; as the " urban industries," which are those carried on in the towns. Opposed to " rural."

Use-Value : the useful aspect or character of any thing ; the useful material qualities of a thing ; whatever a thing is good for in consumption ; as the use-value of bread, which is sweet and wholesome, easy to masticate and easy to digest, nutritious and tasty, and also very useful against hunger ; sometimes the useful thing itself.

Usufruct : the profitable use of anything ; one's advantage gained from using a thing without wasting or destroying it ; as the usufruct of land, which is a yield that does not destroy the land ; or as the usufruct of the labouring class, which yields the riches that constitute capitalism's " fabulous wealth," and which usufruct does not destroy the labouring class (not quite).

Usurped : invaded ; seized from previous owners without right or recompense ; taken possession of by force.

Usury : interest ; the payment for using borrowed money ; the price of a money loan paid by the user ; the price of using another person's money. (This word became an odious name before the advent of capitalism. Since the incoming of capitalism, this name is only applied to the loaning of money at abnormally high interest, or at rates considerably above the average rate of interest—what is called " exorbitant interest." The fact that what used to be called " usury " is now called by the respectful name of " interest " is a most significant historical fact. It is a striking instance of " wrong " having become " right " through the changed economic structure of society, through society having become capitalist society.) (*See* MATERIALIST CONCEPTION OF HISTORY.)

Utility : usefulness ; use-value ; any kind of usefulness that any thing is good for.

Utopia : nowhere ; the title of a sociological novel by Sir Thomas More early in the sixteenth century ; an imaginary place. (Hence, any supposed idle dream or any move or proposition apparently foredoomed to failure is called " utopian.")

V

Vagabond : a wanderer ; a term generally used in a reproachful sense to designate a person without any visible means of support. (The cynical irony of this reproach is choice. The labourers in Great Britain were forcibly turned into these propertyless wanderers for centuries wholesale by means of the so-called " enclosures " and " clearings.")

Value : the socially necessary labour embodied in a commodity by its production ; the amount of society's labour which a commodity is worth to produce ; also, sometimes, the commodity itself (somewhat as persons are occasionally referred to as " souls "). (Value is what Marx means by the " fetish " of commodities. Value is a kind of essence or strength imagined into commodities, which essence or strength seems to assert itself in the process of exchange. Value is a kind of imagined strength which, fetish-like, is to-day measured by weight of gold. Value also seems to flit from form to form ; it does this, not only in the exchange process, but likewise in the process of commodity production, disappearing from the used-up means of production and reappearing in the new commodities. Value is a kind of strength objectified into commodities by the human mind as a natural material reality. To the unscientific mind, value seems to be a natural property of the commodities ; it is suppositiously projected by the mind into commodities as a natural material property, sometimes even as their one principal natural material property. As values, commodities appear to function automatically : without the owner's permission, the values are for ever changing their proportional expressions ; which proportional expressions always determine the course of the commodities' distribution ; and thus the social actions of the owners appear to be the actions of the commodities as values—to all appearance dominating the owners instead of being dominated by them. The motions of commodities are thus imagined as their own

actions, just as the motions of the wind-blown leaf in the African forest are imagined by the fetish-man to be manifestations of the leaf's own life and volition. As the "soul" of capitalist wealth, this "fetish" goes further still, for the value then seems to breed and to bring forth more value as offspring.) From *valeo*—be strong.

Value-Form : exchange-value ; the expression or presentation of a commodity's value by means of another commodity's body. (The only tangible or visible form, or manifestation, possible to any value is the useful body of some other commodity.)

Value of Labour-Power : the amount of socially necessary labour embodied in the labourer's means of subsistence, and therefore in the labour-power stored therefrom in the labourer's body. Of course, the value of labour-power will in a sense depend upon the quantity of those means of subsistence, or upon the labourer's standard of living ; but this quantity or standard is well enough known at any given time, because of its traditional character. Therefore the standard of living being taken for granted, or as understood, the amount of socially necessary labour embodied in the production of the labourer's living (and labour-power) depends upon the productivity of labour.

Variable : a mathematical term, signifying a quantity, or some part of a quantity, that alters or varies and becomes either more or less. (The opposite of "constant.")

Variable Capital : the variable part of capital ; that portion of a capital value which is invested in labour-power—called "variable" because this invested part (quantity) grows into a bigger quantity. In the labour-power, purchased by the variable capital (as wages), the capitalist obtains a quantity of embodied labour which industrially expands for him into a bigger quantity of embodied labour. That is to say : the labour embodied in the labourer's body force (or in his living, or in his means of subsistence) is that of perhaps half a working day, whilst the labour embodied for the capitalist in the labourer's new industrial product is that of the whole working day.

Varies Directly : varies in the same direction. Quantities vary directly with each other when they increase together or decrease together ; as the rate of surplus-value, which varies directly as the productiveness of labour (or directly as the cheapening of commodities).

Villicus : a Roman slave ganger or overseer.

Virements : the mutual financial clearings of banks ; the mutual balancing of the debits of the various banks to each other against their respective credits.

Virtuosi : the plural of *virtuoso ;* adepts ; skilled masters in their vocations.

Virtuoso : one skilled in the technique of any process ; a proficient operator or performer.

Vishnu : a Hindoo deity ; the second person of the Hindoo trinity.

Visible Incarnation : an embodiment that may be seen ; an enfleshment that appears to the sight. (Applied by Marx to the " equivalent " in the value-form.)

Viz. : namely ; to wit ; that is to say.

Voilà tout : there is the whole matter.

Vulgar Economy : that modern, superficial and shallow so-called " science," *bourgeois* " political economy " ; which, since the work of the scientific David Ricardo, has aimed at confusion, apologetics for capitalism, and pacification of the labouring masses (so far as there has been any conscious intelligent aim at all,) rather than aiming at any scientific understanding or honest presentation of political economy. (*See* POLITICAL ECONOMY.)

Vulgarizing : making ordinary and common ; converting into the coarse and unrefined ; making commonplace and vulgar.

W

Wages : the transformed value of labour-power, either as nominal wages or real wages. (*See* NOMINAL WAGE and REAL WAGE.)

Wage-worker : a labourer of capitalism who does not labour for himself ; a labourer who produces for his master, at a wage which is necessarily less than his product.

Wealth : any kind of use-value or useful thing, no matter whether produced by labour or not. This word " wealth " is very ambiguous ; it means any kind of benefit, enjoyment, or possession. As a benefit, " wealth " may mean a Christmas-box, or even such things as fresh air and sunshine ; as an enjoyment, it may mean a motor-car, or even such things as a nice morning or evening, or pleasant weather ; as a possession,

it may mean either use-value, or value, or exchange-value (money). As money, " wealth " means either mere money or capital, surplus-value, profit, rent, interest, fees, or any form of principal or revenue. The word " wealth " also means plenitude, profusion, or over-plenty ; as " a wealth of detail," etc. Therefore, unless clarified by context, this word " wealth " requires, generally, some qualification so as to fix its meaning in some one of the countless different applications ; otherwise, it may be indefinite and mischievous (as it sometimes is) and quite vitiating to any scientific statement.

White Slaves : the English agricultural labourers, early in the nineteenth century, in all but name, but so named (" white slaves ") by Sadler and quoted by Marx (S.S. ed., p. 694 ; Kerr ed., p. 742).

White Slave Trade : the trade of the " flesh agents " of England in 1860, in which workpeople were gathered as cattle for selection, then ticketed like bales of stuff and " forwarded " to Manchester.

Work : industrial labour ; any form of industrial labour.

Y

Yeoman : a small freeholder ; a free agricultural worker.

Yeomanry : the collective body of yeomen or freeholders ; freemen ; the common free people, especially those engaged in agriculture.

Z

Zenith : the highest possible point ; as the biggest of a series of years for " prosperity " or " good business."

Zero : the mathematical degree of naught (0) ; an unattainable point towards which capital nevertheless constantly tends to force the cost of labour-power.

ADDENDUM TO GLOSSARY

CONTAINING

ENGLISH TRANSLATIONS OF ALL FOREIGN QUOTATIONS

AND

EXPLANATIONS OF ALL ABBREVIATIONS, SIGNS, ETC.,

USED IN

THE TEXT OF MARX'S "CAPITAL"

(Mere foreign words and some short phrases will be found in the foregoing Glossary.)

A

" Acerba fata Romanus agunt
Scelusque fraternæ necis."—

Criminal brothers bound together,
Bitter fate in view for the Romans.

(S.S. ed., p. 735 ; Kerr ed., p. 783.)

" Après moi le déluge ! "—

After me the flood !

(S.S. ed., p. 255 ; Kerr ed., p. 296.)

" Assai bene è trascorsa
D'esta moneta già la lega èl peso,
Ma dimmi se tu l'hai nella tua borsa."—

A very good tale you tell ; but show me if you have the money in your purse.

(S.S. ed., p. 76 ; Kerr ed., p. 116.)

B

" Bellum omnium contra omnes."—

A war of all against all.

(S.S. ed., p. 350 ; Kerr ed., p. 391.)

" Budgets économiques des classes ouvrières de la Belgique, Bruxelles."—

Statement of income of the Belgian working classes, Brussels.

(S.S. ed., p. 689 ; Kerr ed., p. 737.)

C

" ce n'est que le premier pas qui coûte "—

only in the beginning is the difficulty.

(S.S. ed., p. 102 ; Kerr ed., p. 142.)

" conditio sine qua non "—

an indispensable condition ; a condition without which the matter could not be.

(S.S. ed., p. 175 ; Kerr ed., p. 216.)

" couleur de rose "—

rose-coloured.

(S.S. ed., p. xix ; Kerr ed., p. 15.)

" cours de la monnaie "—

the path followed by current coin.

(S.S. ed., p. 89 ; Kerr ed., p. 129.)

" culpa levis "—

a fault that is allowed ; a crime that passes.

(S.S. ed., p. xix ; Kerr ed., p. 15.)

D

" De te fabula narratur ! "—

The story will apply to yourself !

(S.S. ed., p. xvii ; Kerr ed., p. 13.)

" disjecta membra poeta "—

the scattered parts ; literally, remains of the dismembered poet.

(S.S. ed., p. 358 ; Kerr ed., p. 399.)

" Do ut des, do ut facias, facio ut des, facio ut facias."—

I give that you may give, I give that you may make, I make that you may give, I make that you may make.

(S.S. ed., p. 551 ; Kerr ed., p. 592.)

E

" écoles d'enseignement professionel "—

schools for teaching professions.

(S.S. ed., p. 494 ; Kerr ed., p. 534.)

" en style lapidaire "—

in the style of the gem-cutter.

(S.S. ed., p. 133 ; Kerr ed., p. 173.)

" être de raison "—

imaginary being ; creation of the brain.

(S.S. ed., p. 152 ; Kerr ed., p. 192.)

" Experimenta in corpore vili."—

Experiments on worthless bodies ; experiments on the bodies of poor people.

(S.S. ed., p. 460 ; Kerr ed., p. 500.)

H

" Hic Rhodus, hic salta ! "—

Here is Rhodes, here dance. (Which amounts to this : " You say you can dance in Rhodes ; well, suppose this to be Rhodes and dance now ! " Marx applies this, as an analogy, to the capitalist, who always assumes to give value for value in his exchanges, and yet reaps an increase.)

(S.S. ed., p. 145 ; Kerr ed., p. 185.)

I

" Illi unum consilium habent et virtutem et potestatem suam bestiæ tradunt. Et ne quis possit emere aut vendre, nisi qui habet characterem aut nomen bestiæ, aut numerum nominis ejus."—

They have one purpose in view when they hand over every virtue and power for a beast. And no one is able to buy or to sell without the mark or name of the beast or the number of his name. (We need only remember that cattle functioned as the " general equivalent " in the exchanges of ancient Rome, and that subsequently the money metal was impressed with the image of an ox. Hence our word " pecuniary," from " pecus," meaning cattle ; hence also our word " fee," from the Anglo-Saxon " feoh," for cattle.)

(S.S. ed., p. 58 ; Kerr ed., p. 99.)

" Im Anfang war die That."—

In the beginning one acts ; Life acts before it thinks.

(S.S. ed., p. 58 ; Kerr ed., p. 98.)

" Impossible ! ne me dites jamais ce bête de mot ! "—

Impossible ! never say this beastly word to me !

(S.S. ed., p. 482 ; Kerr ed., p. 522.)

" In hac urbe . . . ante hos viginti circiter annos instrumentum quidam invenerunt textorium, quo solus plus panni et facilius conficere poterat, quam plures æquali tempore. Hinc turbæ ortæ et querulæ textorum, tandemque usus hujus instrumenti a magistratu prohibitus est."—

In this town, for about twenty years just gone, there have been machines invented for weaving, which make more cloth and better and more easily in less time. Hence grumbling and disturbances have arisen, and in the end the magistrates have prohibited the employment of these machines.

(S.S. ed., p. 428 ; Kerr ed., p. 467.)

L

" Lage der Arbeitenden Klasse Englands."—

Condition of the Working Class in England.

(S.S. ed., p. 397 ; Kerr ed., p. 436.)

" Laudes legum Angliæ."—

Praise of English laws.

(S.S. ed., p. 741 ; Kerr ed., p. 789.)

" L'appétit vient en mangeant."—

The more one has, the more one wishes to have.

(S.S. ed., p. 734 ; Kerr ed., p. 782.)

" Le mort saisit le vif."—

The dead encumber the living.

(S.S. ed., p. xviii ; Kerr ed., p. 13.)

" Les theoricians du socialisme en Allemagne, Extrait du Journal des Economistes, Juillet et Août 1872."—

The socialistic theorists of Germany, Epitome of the Economist's Journal, July and August, 1872.

(S.S. ed., p. xxvi ; Kerr ed., p. 22.)

" Les dés sont pipés."—

The dice are loaded.

(S.S. ed., p. 654 ; Kerr ed., p. 702.)

M

" Maatschappij : De Vlamingen Vooruit."—

Society : The Light Ahead.

(S.S. ed., p. 691 ; Kerr ed., p. 739.)

" Mutato nomine de te fabula narratur."—

Change the names, and the story will apply to yourselves (Germany).

(S.S. ed., p. 252 ; Kerr ed., p. 293.)

N

" Nec plus ultra."—

Perfection ; nothing beyond this.

(S.S. ed., p. 494 ; Kerr ed., p. 535.)

" Ne sutor ultra crepidam."—

The cobbler should not venture beyond his last.
(S.S. ed., p. 494 ; Kerr ed., p. 535.)

" Nihil habeo, nihil curo."—

Have nothing, care nothing.
(S.S. ed., p. 698 ; Kerr ed., p. 746.)

" Nominibus molliere licet mala."—

Under a soft name, the cheek is allowed.
(S.S. ed., p. 440 ; Kerr ed., p. 480.)

P

" Par cet ouvrage M. Marx se classe parmi les esperits analytiques les plus éminents."—

By this work Mr. Marx is classed amongst the most eminent analytical intellects.
(S.S. ed., p. xxvi ; Kerr ed., p. 22.)

" Paris vaut bien une messe."—

Paris is well worth a Mass. (A speech of the Protestant, Henry IV, who wished to gain control of Catholic Paris.)
(S.S. ed., p. 21 ; Kerr ed., p. 61.)

" Pauper ubique jacet."—

Everywhere the poor are down-trodden and helpless.
(S.S. ed., p. 745 ; Kerr ed., p. 793.)

" post tot discrimina rerum "—

after all these different things.
(S.S. ed., p. 697 ; Kerr ed., p. 745.)

" puissance de travail "—

labour-power ; the ability to labour.
(S.S. ed., p. 152 ; Kerr ed., p. 192.)

Q

" Quantum mutatis ab illo ! "—

How changed from what he used to be !
(S.S. ed., p. 288 · Kerr ed., p. 330.)

" quid pro quo "—

one thing instead of another thing; something for something else.

(S.S. ed., pp. 25 and 137; Kerr ed., pp. 65 and 177.)

" qu'on aime pour lui-même "—

which one loves for itself.

(S.S. ed., p. 166; Kerr ed., p. 207.)

R

" raison d'être "—

a reason for being; the reason for anything's existence.

(S.S. ed., pp. 551 and 663; Kerr ed., pp. 592 and 710.)

" res sacrosanctæ extra commercium hominum "—

inviolable sacred things which are outside the commercial traffic of men.

(S.S. ed., p. 108; Kerr ed., p. 148.)

S

" Segui il tuo corso, e lascia dir le genti."—

Follow your course, and let the people talk.

(S.S. ed., p. xx; Kerr ed., p. 16.)

" Soyons riches ou paraissons riches."—

Let us be rich people or appear rich people.

(S.S. ed., p. 110; Kerr ed., p. 150.)

T

" taillable à merci et miséricorde "—

taxable at one's pleasure or discretion and mercy.

(S.S. ed., p. 475; Kerr ed., p. 515.)

" Tantæ molis erat."—

So great a labour was it.

(S.S. ed., p. 785; Kerr ed., p. 833.)

" taxes pour le roi de Prusse "—

taxes to no purpose, or for nothing ; literally, taxes for the King of Prussia.

(S.S. ed., p. 770 ; Kerr ed., p. 818.)

" tout est pour le mieux dans le meilleur des mondes possibles "—

all is for the better in the best of possible worlds.

(S.S. ed., p. 176 ; Kerr ed., p. 217.)

" tout sera pour le mieux dans le meilleur des mondes possibles "—

all will be for the better in the best of possible worlds.

(S.S. ed., p. 798 ; Kerr ed., p. 846.)

W

" Wie menschlich von solch grossem Herrn ! "

What philanthropy from such great masters !

(S.S. ed., p. 732 ; Kerr ed., p. 780.)

ABBREVIATIONS, GREEK CHARACTERS, FORMULÆ AND SIGNS USED IN "CAPITAL"

App. : appendix.

Cf.
Comp.
Conf. } compare.

e.g. : for example ; for instance.

et seq. : and the following pages.

f.i. : for instance.

H.o.C. : House of Commons.

Ib.
Ibid.
Ibidem
Id. } in the same place ; in the same book or publication.

i.e. : that is ; that is to say.

L.c.
l.c. } in the place quoted ; in the book or publication previously mentioned.

n. : note.

p. : page.

passim : in various places or passages ; here and there.

pp. : pages.

qrs. : quarters. (A quarter is about 8 bushels.)

Sc. : namely ; to wit.

Seq.
S.q.
Sq. } the following.

Sqq.: the following places (pages).

viz.: namely; to wit.

Επίγονοι: Epigoni (see this word in the Glossary).

Καλὸς Κἀγαθός: Kalos Kagathos (see this term in the Glossary).

$\frac{a'}{a}$: the "surplus" labour (a') expressed as a ratio to the "necessary" labour (represented by a); which mathematically displays the rate of exploitation of the labourer. If the "surplus" labour (a') be four hours' labour, and the "necessary" labour (a) be one hour's labour; then $\frac{a'}{a}$ is equal to 4 over 1, or 400 over 100, and thus the a' represents an exploitation of 400 per cent.

***a—b—c*:** a mathematical presentation of a working day, which consists of the two different parts, viz. the "necessary" labour from a to b, and the "surplus" labour from b to c.

***a—b′—b—c*:** the mathematical presentation of a working day when some of the "necessary" labour has been converted into so much additional "surplus" labour, viz. that portion represented by $b'—b$.

C—M—C: the mathematical formula which depicts a commodity's double conversion or circulation, in which the commodity is first converted into money and then converted into another commodity.

$^{\Delta}$M: the M difference; the amount of increase of the originally advanced capital value.

M′: the increased capital value, which includes the original M and the M difference (the M and the $^{\Delta}$M).

M—C—M′: the mathematical formula which depicts the circulation of a capital value, or the characteristic circular passage of capital through a series of forms; in which the capital serially figures as a quantity of value in the form of money, then as converted into the form of commodities, and then as converted back again into the original form of money (but more money than the first money).

n times 3s. or **$n \times$ 3s.** } an algebraic expression in which n stands for any number. For instance, if we suppose n to stand for 20 labourers, and 3s. to stand for the price of one daily labour-power, then n times 3s. will be equal to 60s. or £3.

1 : 2 or **1 : 10** or **1 : x.** This is one form of mathematically expressing ratios. It should be read as follows: "1 to 2, or 1 to 10, or 1 to x," and it simply expresses the proportion of 1 to either 2, 10, or x (which x would stand for any required magnitude).

$\frac{\textbf{£3 11s.}}{\textbf{£3 10s.}}$. This is another form (the fractional form) of ratio expression. It either means £3 11s. divided by £3 10s., or means £3 11s. compared with £3 10s. (a little more than 100 per cent.).

$\frac{s}{C}$: the ratio of the surplus-value to the total capital invested. This does not show the rate of exploitation of the labourer, for the following reasons: the exploitation of the labourer is the degree of the labouring function over and above the "necessary" degree; and this exploiting degree is quite independent of the quantity of capital which may function to absorb the labour. The constant part of capital which absorbs a day's labour may have any magnitude (from a few pence up to millions of pounds); but the day's labour will constitute the same quantity of newly added value, no matter whether the absorbing capital be a huge accumulation of value or be practically negligible (as a copper or two). Therefore, whilst this ratio represents to the capitalist the rate of return upon his total outlay, yet it gives no inkling whatever as to the rate of exploitation of the labourer or labour-power.

$\frac{s}{c+v}$: a ratio which is similar in its effect to the preceding, viz., the ratio of the surplus-value to the total capital invested; but the total capital is here expressed as its two component parts, of "constant" plus "variable" capital ($c + v$).

$\frac{s}{v}$: a ratio which displays the rate of surplus-value or rate of exploitation. If the surplus-value (s) be 100, and the variable capital (v) be also 100, then the rate of surplus-value will be 100 per cent., because 100 is thus advanced in the purchase of labour-power that yields an increase of 100.

$S = \begin{cases} \frac{s}{v} \times V \\ P \times \frac{a'}{a} \times n. \end{cases}$ Here we have a duplicate formula in one, which is often mistaken for a puzzling single formula. Its meaning is that the mass of surplus-value (S) for any individual capital is equal to the rate of surplus-value $\left(\frac{s}{v}\right)$ multiplied by the total variable capital (V); or that the mass of surplus-value (S) is equal to the average value of labour-power (P) multiplied by its degree of exploitation $\left(\frac{a'}{a}\right)$ and multiplied again by the number of labour-powers exploited (n). For example: suppose the rate of surplus-value $\left(\frac{s}{v}\right)$ to be 400 per cent. $\left(\frac{400}{100}\right)$, and the total variable capital (V) to be 500, then the $\frac{400}{100}$ multiplied by 500 gives us a mass of surplus-value (S) of 2,000. Again; suppose the average value of labour-power (P) to be 5, the rate of exploiting the labour-power $\left(\frac{a'}{a}\right)$ to be 4 to 1 $\left(\frac{4}{1}\right)$, and the number of labour-powers exploited (n) to be 100; then we have the same result as before, viz. the mass of surplus-value (S) is equal to $5 \times \frac{4}{1} \times 100$, which is 2,000.

$\frac{365A + 52B + 4C + \text{etc.}}{365}$. This is the mathematical expression of the daily value of labour-power. It is based upon a year's labour-power-upkeep, consisting of the daily necessaries of the

labourer (365A), the weekly necessaries (52B), the quarterly necessaries (4C), and all the other necessaries, such as clothing or other things (etc.). These are all added together on the top line as the complete year's necessaries, and then divided by the number of days in the year (365), which, of course, gives us the daily value of the labour-power thereby maintained.

$\frac{\textbf{Surplus-value}}{\textbf{Variable Capital}}$: Surplus-value divided by the variable capital (which buys labour-power), giving the rate of surplus-value or rate of exploitation of labour-power. In other words, this fraction or ratio exhibits the rate at which the capitalist uses or exploits the labourer.

$\frac{\textbf{Surplus-labour}}{\textbf{Necessary labour}}$, $\frac{\textbf{surplus working time}}{\textbf{necessary working time}}$, $\frac{\textbf{unpaid labour}}{\textbf{paid labour}}$: Here we have three other mathematical expressions (in words) of the rate of exploitation of the labourers. The first expression of the exploitation is in terms of the labour; the second expression is in terms of the labour-time; and the third expression is in slang terms of "labour payment." Marx uses other equally valid expressions of the same economic fact, but the basic principle is the same in each case, and they always exhibit the relation between the labourer's "surplus product," or output, and the upkeep of the labourer.

$\frac{\textbf{Surplus-labour}}{\textbf{Working day.}}$: This ratio does not express the rate of surplus-labour at all. It is not the ratio of one quantity to an absolutely different quantity, nor the ratio of one part to another part; it is merely a part of the whole compared with the whole itself. (Surplus-labour is a labour quantity; it is also a function of the quite separate labour quantity named "necessary labour." Therefore it is a quantity which, in order to show its rate, should be compared with the other quantity that it is the function of) This ratio or fraction merely shows the relation of part of the day's labour to the whole day's labour, an insipid result of no scientific value. Marx tells us this formula is found in classical *bourgeois* economy.

Surplus-value / Value of the product : This is a corresponding ratio to the preceding ratio (but in value terms instead of labour terms); it is therefore equally useless. These and other similar formulæ, Marx points out, are met with in classic economy. Here again we have part of a whole compared with the whole (which includes the part!); the same simple insipidity.

Daily value of labour-power / Working day of a given number of hours : This fraction exhibits the conversion of the value of labour-power into a time-wage. It is the labour-power's value divided by the hours of the working day, and so it gives the hourly rate of time-wages. Suppose the labour-power's daily value to be, for example, 8s., and suppose the working day to consist of 8 working hours; then, if the 8s. be divided by the 8 hours, the result will be the price of 1s. per hour for the labour-power.

[ ] These marks are called square brackets. These brackets are generally used for the purpose of adding some remarks inside a quotation, and so the words enclosed by the square brackets are to be understood as being not part of the matter quoted.

\+ The sign of plus or addition, indicating that the quantities on either side of it are to be added together.

— The sign of minus or subtraction, indicating that the quantity immediately before it is to be less the quantity immediately following.

× Multiplied by. This sign indicates the multiplication together of the two quantities on either side of it.

÷ Divided by; indicating that the preceding quantity is to be divided by the following quantity.

= Is equal to; is worth. The sign of equality; as 1 hat = 30 shillings.

% Per cent.; as 10 % (10 per cent.).

APPENDICES

APPENDIX A

(P. 73, note 2; and p. 75, note.)

In the English versions of *Capital* there is confusion between the General Form of Value and the Money Form of Value, owing to the premature introduction of the two words "world" and "universal." These two words should not be used in connection with the General Form of Value, which form of value was usually confined to some restricted locality. The only scientific way open to us with our English words appears to be this: instead of using the phrase "world of commodities" (as on p. 36 Swan Sonnenschein ed., and p. 76 of Kerr's ed.) for all the commodities in a local or given restricted market, use the phrase "all sorts of commodities"; and instead of the phrase "universal equivalent" (as at p. 38 S.S. ed.; and p. 78 Kerr ed., *et seq.*) for any of the "general equivalents" in a primitive market's group of such "general equivalents," use only the phrase "general equivalent," and thus reserve the term "universal equivalent" for that "money equivalent" which supersedes the group of "general equivalents" (which "money" eventually ousts all of them from the "equivalent" position everywhere). And this restricted use of the word "universal" would not then clash with its application in the term "universal money," applied to "bullion" at the end of Chapter III. In which "bullion," as Marx tells us (p. 119 S.S. ed.; p. 159 Kerr ed.), the money has returned "to its original form," the only difference between the developed "money-equivalent" and "bullion" being that, as the uncoined bullion, the precious metal has a wider basis of recognition to function upon. Scientifically, it is always necessary to adopt separate terms for separate categories or phenomena wherever possible. The mere "general equivalent" should never be referred to but as such. There were

a number of " general equivalents " in every market where there were a number of different regular barter imports. Every such different article, habitually brought into a community from outside, would function as a " general equivalent " through being exchanged against all the different local articles. This means that there were as many " general equivalents " as there were different habitually or regularly imported articles. Of course, in a sense, these " general equivalents " were each a " universal equivalent," viz. in the sense that they were each the equivalent of all the other sorts of commodities in the market. They were each the equivalent of the " world of commodities " (meaning all sorts of commodities) in that market. But this sense is not important enough to take up the word " universal," especially as we afterwards require it for something more important, viz. the " money equivalent," which finally drives all the other " equivalents," at first from some given market, and then from all markets. If we apply " universal equivalent " to what is only a " general equivalent " in some local market, and then apply this " universal equivalent " afterwards in the bigger sense to " money of the world," we thereby acquire a ridiculous anti-climax, and the name becomes quite absurd. For if the " universal equivalent " (meaning merely one of some local market's " general equivalents ") is to express the values of " all commodities," then the something else called by the same name " universal equivalent " (meaning " money of the world " or bullion) would have to express the values of " all commodities "—and more besides !

APPENDIX B

(P. 49, note 2; p. 56, note; pp. 91, 92, note.)

Showing Marx's change of terminology with regard to the two terms, "value" and "exchange-value."

(This Appendix, mainly, is an extract, slightly modified and adapted, from my article in the Sydney *People*, of August, 1916.)

AND now we have to notice something which, very strange to say, no one seems ever to have noticed before.

In the preface to *Capital* Marx tells us that the matter of his earlier work, *Zur Kritik*, is embodied in his later work, *Capital*. He says: "The substance of that earlier work is summarized in the first three chapters of this volume. This is done not merely for the sake of connection and completeness. The presentation of the subject matter is improved" (p. xv.).

An extremely important part of this "improved" presentation is the reversal of the two terms, "value" and "exchange-value." In the earlier and immature work Marx named the embodied labour in commodities "exchange-value," and the reflection of this embodiment in money he named "value." Consequently, Marx consistently, in that early work, referred to the "exchange-value" in commodities, but, on the other hand, only to the "value" of money. It is quite astonishing, and even comical (after one's having first studied *Capital*), to repeatedly and consistently read, on page after page, of the "exchange-value" in the commodities and only of the "value" of the precious metals! But later, when Marx came to write his more mature work, *Capital*, he abandoned that early "presentation"; and he there teaches us that the socially-necessary-labour embodied in the commodity constitutes the "value," and that the reflection of this "value" (in a quantity of money or quantity of some other commodity) is the commodity's "exchange-value." In *Capital*, then, the meanings and applications of these two terms, "value" and "exchange-value," are exactly the reverse of what they are in

the *Kritik*. What, in the *Kritik*, Marx had called "exchange-value," he afterwards, in *Capital*, called "value"; and what he had called "value" he afterwards called "exchange-value." That is to say: when Marx came to write *Capital*, he exactly reversed the previous import and positions of these two terms, and substituted each for the other. In the *Kritik* the commodity is constantly presented as a complex of use-value and "exchange-value," whilst in *Capital* the commodity is demonstrated to be a complex of use-value and "value."

In his earlier work, the *Kritik*, Marx very rarely speaks of the "value" of commodities; and when he does do so, he does not refer to the labour embodied inside the commodity, but only to the reflection of it in the precious metals. (An important exception to this is on p. 257, in the Kerr edition; and it is a remarkable fact that this reference, to the economic burden of commodities, is the last such reference in the book. That he here refers to what he has hitherto called "exchange-value" is unmistakably shown by the adjective "intrinsic," for he calls it "the intrinsic value".) Quite in keeping, Marx also very rarely refers in that early work to the "exchange-value" of precious metals. He nearly always refers to the "value" of the precious metals, the "value" of gold, the "value" of money, or the measure or token of "value." But when he does mention the "exchange-value" of money (e.g. on p. 169), he clearly means the labour embodied in the money itself, and not the usual value-reflection of commodities.

In a footnote on p. 2 of *Capital* (p. 42 in Kerr's) Marx gives us a little insight (without saying so) into his earlier and comparatively elementary terminology. He there says: "In English writers of the seventeenth century we frequently find 'worth,' in the sense of value in use, and 'value' in the sense of exchange-value [that is, "the sense of exchange-value" as maturely understood in *Capital*, of course]. This is quite in accordance with the spirit of a language that likes to use a Teutonic word for the actual thing and a Romance word for its reflection."

In the *Kritik* Marx modified this old English terminology by substituting "exchange-value" for the word "worth," as applied to the actual commodity, but he retained the word "value" as applied to the commodity's reflection in exchange. But afterwards, when Marx produced *Capital*, he indulged in a necessary scientific revolution; he then turned these two terms, "exchange-

value" and "value," absolutely face about, and established them oppositely as they now scientifically and firmly stand: the commodity's actual burden as a "value," and the expression or reflection of it as its "exchange-value."

It seems an astonishing and incredible thing that this momentous change-over of Marx's terms should never have been seen and pointed out before; but yet such is positively the case! And, unfortunately, the non-recognition of this very important change, this necessary scientific alteration made by Marx in his mature and more finished work, has given rise to lamentable confusion and misunderstanding amongst Marxian students. Those who happen to become acquainted with Marx through first studying his later work, *Capital* (as is highly desirable), will be pretty certain to acquire a different idea of "value and exchange-value" to what would be acquired by first studying the *Kritik*. But, what is perhaps even worse, those who read both of these works without using their critical faculty are almost sure to acquire the erroneous popular notion that Marx understood the two terms, "value and exchange-value," to be synonymous! This Marx never did. Even in the *Kritik* Marx always differentiated between these two terms; but he understood both of them differently and oppositely in his earlier work, the *Kritik*, and his later work, *Capital*.

To now have ocular demonstration of Marx's complete reversal of these two terms let us here take a few pairs of parallel quotations from the two books, in which the term "exchange-value" of the earlier book, the *Kritik*, is altered to "value" in the later book, *Capital*; and let us view them in parallel columns, quotation against quotation:—

FROM THE *Kritik*.	FROM *Capital* (S.S. edition).
"The first sensible analysis of EXCHANGE VALUE . . . was [by] Benjamin Franklin" (p. 62).	"The celebrated Franklin . . . who saw through the nature of VALUE" (p. 19).
A commodity "is merely the material depository of EXCHANGE VALUE" (p. 41).	". . . a mere commodity, a depository of VALUE" (p. 78).
"Hence, if it be correct to say the EXCHANGE VALUE is a relation between persons," according to Galiani (p. 30).	"When, therefore, Galiani says: VALUE is a relation between persons" (p. 45).

From the *Kritik*.	From *Capital* (S.S. edition).
" . . . labour is represented by Exchange Values " (p. 25).	" . . . labour is represented by the Values " (p. 52).
" . . . the Exchange Value . . . is manifested " (p. 36).	" . . . the common substance that manifests itself . . . is . . . Value " (p. 5).
" . . . labour, which creates Exchange Value " (p. 22).	" . . . labour . . . creates and forms the Value " (p. 14).
" Labour creating Exchange Value is . . . abstract " (p. 23).	" . . . abstract human labour . . . creates the Value " (p. 14).
" . . . labour as the creator of Exchange Values " (p. 24).	" . . . human labour, creates Value . . . " (p. 19).
" As Exchange Values, all commodities are but definite measures of congested labour-time " (p. 24).	" ' As Values, all commodities are only definite masses of congealed labour-time ' " (p. 6).
" . . . homogeneous abstract general labour, which forms the substance of Exchange Value " (p. 23).	" . . . Values . . . are . . . mere homogeneous congelations of undifferentiated labour " (p. 12).
" . . . commodities . . . their two-fold aspect of use-value and Exchange Value " (p. 56).	" They are . . . commodities, only because they are something two-fold, both objects of utility, and, at the same time, depositories of Value " (p. 15).
" . . . Exchange Value is determined by labour time " (p. 24).	" . . . Value is determined by the labour time " (p. 64).
" The determination of Exchange Value by means of labour time " (p. 26).	" . . . that which determines the magnitude of the Value of any article is . . . the labour time socially necessary for its production " (p. 6).

From the *Kritik*.	From *Capital* (S.S. edition).
"An equivalent is, in fact, the Exchange Value of one commodity expressed in the use-value of another commodity" (p. 36).	". . . every commodity is compelled to choose some other commodity for its equivalent, and to accept the use-value . . . of that other commodity as the form [expression] of its own Value" (p. 25).
". . . Exchange Value can appear only in the shape of another commodity" (p. 47).	"The Value of the linen can . . . be expressed only . . . in some other commodity" (p. 16).
". . . the Exchange Value of a commodity varies with the quantity of labour-time directly contained in it" (p. 39).	"The Value of a commodity . . . varies directly as the quantity . . . of the labour incorporated in it" (p. 7).
". . . much labour-time, i.e. a great quantity of Exchange Value" (p. 210)	". . . diamonds cost more labour, and therefore represent more Value" (p. 7).
". . . two commodities, entities of Exchange Value and use-value, confront each other" (p. 111).	". . . both opposing sides are commodities, unities of use-value and Value" (p. 77).
". . . commodity . . . is a direct combination of use-value and Exchange Value" (p. 41).	"A commodity is a use-value . . . and a Value" (p. 30).
"If . . . the quantity of labour-time required for the production of commodities remained constant, their Exchange Value would remain the same" (p. 35).	"The Value of a commodity would . . . remain constant, if the labour-time required for its production also remained constant" (p. 7).
". . . expression of the Exchange Value" (p. 47).	". . . expression of the Value" (p. 15).

FROM THE *Kritik*.	FROM *Capital* (S.S. edition).
" . . . the EXCHANGE VALUE of all commodities is expressed in gold " (p. 76).	" The expression of the VALUE of commodities in gold " (p. 67).
" Gold becomes the measure of value, because all commodities measure their EXCHANGE VALUES in gold " (p. 75).	" Gold . . . became . . . a measure of values in consequence of all commodities measuring their VALUES by it " (p. 82).
" . . . the EXCHANGE VALUE of commodities is crystallized . . . into gold money " (p. 149).	" Gold, the embodiment of the commodity's VALUE " (p. 77).

We could probably get hundreds of similar pairs of opposite quotations from the two books, but such a course would be too monotonous. Suffice it now just to mention, additionally, the four cases of value's relative variation, which four cases appear in both books. These variation cases are given on pp. 39 and 40 of the *Kritik* and on pp. 22 and 23 of *Capital* (S.S. ed.).

These four cases of variation are exactly the same four cases in both books; but in these cases the characteristic difference between the two books in this connection is again in evidence, and looms large. In the *Kritik* it is the EXCHANGE-VALUE of the commodity which is said to relatively vary according to the four different cases, but in *Capital* it is the VALUE of the commodity which so varies.

(*From the August instalment of "Value and the Form of Value," by W. H. Emmett, Sydney* People, 1916.)

Ernest Untermann, in the matter of these two terms, is badly confused in his *Marxian Economics*. In his Chapter XIV, entitled " The Marxian Theory of Value," he mixes the two terms miserably, and it is perfectly plain that, to Untermann, " value " and " exchange-value " are synonymous terms! But, to Marx, these erms were NEVER synonymous. Louis B. Boudin, too, in his *The Theoretical System of Karl Marx*, was badly confused in the same regard. On p. 91 of that work Boudin published (with perfect honesty) the most astonishing misstatement, to the effect that " Marx knows of only two kinds of value—use-value and exchange-value—and whenever he says simply ' value ' he means exchange-

value"! Such a gross misstatement of Marx's terminology is simply awful!

What are the facts taught by Marx about "value" in Chapter I of *Capital?* Simply these: By being constituted of the socially-necessary-labour, embodied in a commodity by its production, the "value" (standing alone in the separate commodity) is absolute value. By being thrown (as such "value") into relation or comparison with another commodity the "value" becomes "relative value" or comparative value. By being represented and realized as this other commodity's useful body, the "value" becomes "exchange-value." How is it that such very simple Marxian truth as this is totally unknown to Marxian "exponents"?

It is almost impossible to pick up a book or a paper upon Marxian economics that is not badly tainted with the belated and hateful confusion of "value" with "exchange-value." And even when the mistaken writers have been advised of the error, even when the error has been grammatically and scientifically pointed out to them, some of them (to their discredit) stubbornly and offensively persist in their error. Perhaps this unscientific persistence is because the confusion is too "popular" to be any error (!); but, whatever be the cause, it gives them the ridiculous appearance of being "too clever," like spoiled and overgrown children. The modern belated, ridiculous and discreditable confusion of "value" with "exchange-value," amongst proletarian "scientists," especially in America (despite its having been explained to them, and despite even the elementary rules of common grammar upon adjectives), has developed into an abominable nuisance, and yet withal only a contemptible, childish nuisance.

But, I am sorry to say, Marx himself is not free from blame in this matter. Marx is to blame for not specially and definitely mentioning the fact of his having changed his respective uses (the respective scientific functions) of these two terms. By his omitting to do so, he has inadvertently permitted endless confusion to creep in amongst the world's working-class teachers. In reversing these two terms, "exchange-value" and "value," as he did, Marx ought to have specifically pointed out that he was doing this. His failure to mention it definitely has unquestionably occasioned great confusion, especially in the minds of those people who have happened to read his *Zur Kritik* before reading his *Capital.*

It is not sufficient that, in his preface to *Capital*, Marx refers to his new " presentation " of the *Kritik* substance in " the first three chapters " of *Capital*. It is not sufficient that, in a mere footnote on the second page of his Chapter I, Marx gives us the chance to find out, if we can, the linguistic reason why he had previously used the word " value " for a commodity's reflection instead of the term " exchange-value." It is not sufficient that Frederick Engels (in his preface to the English edition of Vol. I) tells us that " Every new aspect of a science involves a revolution in the technical terms of that science." It is not sufficient that Engels tells us of Marx's " ever-widening horizon, which he enlarged by incessant study." It is not sufficient that Engels (in his preface to Vol. II) mentions Marx's careless manner of making outlines. All this is especially not sufficient when we consider the numerous remnants of Marx's earlier and immature terminology that pepper the pages of Vol. I of *Capital*, and when we consider the very great use which the " vulgar economist " is eager to make of that very same confusion of terms! This matter (of the two terms, " exchange-value " and " value," being necessarily reversed) is of such great and fundamental importance that it was urgently and imperatively necessary definitely and unmistakably to mention such a complete revolution.

A very valuable clue to the time of Marx's reversal of these two terms is afforded by Engels' preface to Vol. II of *Capital*, where Engels gives us the order of dates at which Marx wrote various parts of that volume. In the earlier written parts Vol. II shows a few remnants of the earlier immature terminology, but in the parts elaborated later it is practically free from them. The fact that Vol. I, outside the first chapter, is peppered with these immature remnants (there being no less than forty-two of them in the course of the 800 pages) indicates very pointedly that Chapter I was about the last part of Vol. I to be finished. It is very remarkable, too, that *Value, Price and Profit* (written by Marx only two years before the publication of his Vol. I of *Capital*) is quite free from any of these remnants; in every instance the economic burden of the commodity is called its " value," NOT its " exchange-value."

APPENDIX C

(P. 166, note; p. 207, note.)

In a pamphlet entitled *Marx on Mallock* Daniel De Leon implies that, according to Marx, managers and superintendents, by virtue of their brain-work, are productive of wealth. And he also declares that, according to Marx, capitalistically produced wealth is not the exclusive yield of the manual labour employed! The implication and the declaration are both quite wrong, and they have unfortunately misled numbers of Marxian students.

We are also told therein, on p. 14, that Marx "defines that quality [viz. the collective power of masses, over and above the sum of the individual powers] as a 'social power,' a 'collective power,' that resides in the manual workers and their director, collectively." This is incorrect and mischievous.

It is also incorrect (as on p. 9) to speak of "primitive society, where co-operation was unknown"!

If the work of "direction" produce the extra wealth, or produce any of it, then the co-operative power of producing this extra wealth will represent some cost to the capitalist, because the capitalist has to pay his directors. But Marx carefully tells us that the extra power, producing this extra wealth, costs the capitalist nothing. If the increased output of modern wealth be not the exclusive yield of the manual labour employed, then this will mean that the labourers' productive power is not (neither individually nor collectively) increased at all by the co-operation. But Marx tells us of the "increase in the productive power of the individual" and of the heightened "efficiency of each individual workman." If the managers and overlookers were a part of the co-operation (or that "collective power that resides in the manual workers and their director, collectively"), how could Marx tell us that, "while the work is being done," these managers, etc., "command in the name of the capitalist"? The commanding is not doing that productive work which is thus commanded! "The

directing motive " is " to extract the greatest possible amount of surplus-value." But " extracting " surplus-value is not producing the extracted surplus-value. If that extra wealth, " relative surplus-value " (which flows from the increased productiveness attained by means of labour co-operation), be not the exclusive yield of the manual labour employed, what is the use of Marx calling it the " relative surplus-value " ? In such case, it could not be " surplus-value " at all ! In such case, why put this chapter on " Co-operation " in his Part IV, which is entitled " The Production of Relative Surplus-Value " ?

It is quite correct to claim, as De Leon does, that the work of direction (the work of working the workers) is now done by others than the capitalist himself, and that therefore the capitalist is not now necessary. But Daniel De Leon and other proletarian writers are very wrong and mischievous in omitting to show, at the same time, that this direction of production is not the directed-production itself—that the " work " of driving the wealth-production is not a part of the driven wealth-production ; and that, therefore, the " directing " or driving is not producing wealth. All that the driving is productive of is the driven wealth-production. It is right to claim, as De Leon does, that the " labour " of exploiting the labourers is a part of the labour-exploitation process (as indeed it is, whether it be done directly by the capitalist himself or only indirectly through the capitalist's henchmen) ; but it is very seriously wrong and misleading to class the exploiting managers, etc., together with the exploited labourers, as De. Leon does ! The " labour " of exploiting is quite a different class of labour to that other labour which is thereby exploited.

As a Marxian matter of fact, the exploited co-operating labourers (with the increased " productive power of the individuals," each individual's productive " efficiency " having been heightened)—these driven labourers, with their manual labour, do all the industrial producing. They even produce the livings of all the hard-working " directors," of all the capitalists, and of many others besides.

The only way in which the brain-work of managers and directors (as such) " produces " any wealth is somewhat as the lorryman " pulls " a 10-ton load uphill ; the managerial brain-work exploits labour-power and the lorryman exploits horse-power. In reality, however, just as the horses pull all the load

for the driver, including the weight of the busy driver himself, so the exploited manual labourers produce all those labour-products upon which the whole of capitalist society lives—the whole of capitalist society, including the managers, the bosses, the directors, the superintendents, the overseers, etc.

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